House of Representatives

THURSDAY, OCTOBER 10, 1974

The House met at 12 o'clock noon.

The Reverend Michael P. Regan, director of Christian education, the Cathedral Church School, Garden City, N.Y., offered the following prayer:

O God, the Lord of all kings and kingdoms, let Thy strong hand control the nations and order their doing unto the fulfillment of Thy purposes upon Earth. Strengthen, we pray Thee, those in leadership, especially in this House of Representatives, who strive after fellowship and brotherhood, and labor to establish righteousness and peace; guide the hearts and minds of rulers and statesmen, that they may seek first Thy kingdom of justice and freedom for all peoples, both great and small; for the sake of Jesus Christ our Lord. Into Thy hands, O Lord God of our fathers, we commend our Nation and people this day. Renew our hope and courage: deliver us from weakness and fear; and lift us up, a holy people, to Thy praise and honor, O God, Thou King of Earth and Heaven; through Jesus Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries, who also informed the House that on September 8, 1974, the President approved and signed a bill of the House of the following title:

H.R. 16243. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 2348. An act to amend the Canal Zone Code to transfer the functions of the clerk of the U.S. District Court for the District of the Canal Zone with respect to the issuance and recording of marriage licenses, and related activities, to the civil affairs director of the Canal Zone Government, and for other purposes; and

S. 2362. An act granting the consent and approval of Congress to the Cumbres and Toltec Scenic Railroad Compact.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11510) entitled "An act to reorganize and consolidate certain functions of the Federal Government in a new Energy Research and Development Administration and in a Nuclear Energy Commission in order to promote more efficient management of such functions."

The message also announced that the Senate agrees to the amendments of the House with amendments to a bill of the Senate of the following title:

S. 2840. An act to authorize the Secretary of Commerce and the Secretary of the Treasury to conduct a study of foreign direct and portfolio investment in the United States, and for other purposes.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3341) entitled "An act to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. METCALF, Mr. HUDDLESTON, and Mr. PERCY to be the conferees on the part of of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 3514. An act to distinguish Federal grant and cooperative agreement relationships from Federal procurement relationships, and for other purposes;

S. 3619. An act to provide for emergency relief for small business concerns in connection with fixed price Government contracts; and

S. 3802. An act to provide available nuclear information to committees and Members of Congress.

REV. MICHAEL P. REGAN

(Mr. WYDLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYDLER. Mr. Speaker and my colleagues, the prayer was offered today by the Reverend Michael P. Regan, who is the director of Christian education at the Cathedral School in Garden City, N.Y. This, of course, is the church school which is associated with the Cathedral of the Incarnation, which is not only in my congressional district, but in the village in which I live. It also happens to be my own church.

It is a particular delight to have the Reverend Michael P. Regan here today. I know how proud his mother and father are of the fact that he has offered the opening prayer to this session of Congress.

When he asked me to arrange for him to give this prayer, he stated that he hoped he could do it on the day when the new Vice President was sworn in. I told him that was somewhat uncertain as to time, and he would have to settle for another date. It was arranged for today; and, of course, this is the day before I think we are going to recess, and it is an auspicious date for the House.

I will just say this about Reverend Regan: He is in charge of the Cathedral Church School. He is loved by the children of our cathedral and our young adults as well and has the respect of the parishioners.

I include in the RECORD the outstanding background of this fine man of God:

THE REVEREND CANON MICHAEL P. REGAN

Born on April 20, 1930, in Bridgeport, Connecticut, the son of John G. Regan and Helen Regan.

Graduate of the Carle Place Grammar School, and the Westbury High School in 1948. A graduate of Hofstra University 1952; a graduate of The General Theological Seminary 1955. Curate at St. Joseph's Church, Queens Village, New York; Rector of the Church of the Good Shepherd, Houlton, Maine; Director of Christian Education at the Church of St. James the Less, Scarsdale, New York; Assistant to the Editor of Tidings, Diocese of Long Island; Priest in charge of the Church of St. John the Baptist and Emmanuel, Brooklyn, New York.

A member of the staff of the Cathedral of the Incarnation, Garden City, New York, since 1964. Director of youth work and then appointed Canon by the Right Reverend Jonathan G. Sherman. Appointed Director of Christian Education by the Very Reverend Harold F. Lemoine, Dean.

A member of the Diocesan Council 1967-1970. A member of the Diocesan Department of Youth and the Diocesan Department of Christian Education.

Secretary-Treasurer of the Garden City Clergy Fellowship for two years. Past-President of the Garden City Lions Club, Garden City, New York; District Chaplain of Lions District 20 K-2 since 1970.

Chaplain to the Garden City Policemen's Benevolent Association since 1968 and Chaplain to the Nassau Police Conference since 1972.

Received a Master of Divinity Degree from the General Theological Seminary May 1972. Subject of thesis "Toward a More Effective Role for the Modern Church in Ministering in Death and to the Dying."

A member of the "Death and Dying Committee of the North Shore University Hospital."

MAKING IN ORDER CONSIDERATION OF CONFERENCE REPORT ON H.R. 14225, REHABILITATION ACT AMENDMENTS OF 1974, ON OCTOBER 10 OR OCTOBER 11, 1974

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that it be in order for the House to consider the conference

report on the bill H.R. 14225, Rehabilitation Act Amendments of 1974, either today, October 10, or tomorrow, October 11.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky.

There was no objection.

CALL OF THE HOUSE

Mr. SCHERLE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 596]

Alexander	Ford	Reid
Archer	Gibbons	Riegle
Armstrong	Gray	Roncalio, Wyo.
Ashley	Green, Oreg.	Rooney, N.Y.
Badillo	Hansen, Idaho	Rousselot
Biaggi	Harrington	Runnels
Blackburn	Hébert	Satterfield
Brasco	Horton	Shuster
Burke, Fla.	Huber	Snyder
Carey, N.Y.	Hunt	Staggers
Carter	Johnson, Colo.	Steele
Casey, Tex.	Karth	Stephens
Chamberlain	Kemp	Stratton
Chisholm	Kuykendall	Stubblefield
Clark	Long, Md.	Stuckey
Clawson, Del	McDade	Symington
Clay	McEwen	Symms
Collins, Ill.	McKinney	Teague
Conable	Madden	Tiernan
Conlan	Madigan	Towell, Nev.
Conyers	Mathias, Calif.	Treen
Corman	Michel	Udall
Danielson	Mills	Ullman
Davis, Ga.	Minshall, Ohio	Waldie
de la Garza	Moakley	Ware
Dellums	Montgomery	White
Dickinson	Moorhead, Pa.	Whitehurst
Diggs	Murphy, N.Y.	Williams
Donohue	O'Hara	Wilson, Charles H., Calif.
Downing	Passman	Wright
Drinan	Pepper	Young, S.C.
Duncan	Podell	
Eckhardt	Powell, Ohio	
Erlenborn	Pritchard	
Evins, Tenn.	Rarick	

The SPEAKER. On this rollcall 333 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MEMORIAL SERVICES FOR THE LATE HONORABLE CLIFFORD McINTIRE

(Mr. COHEN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. COHEN. Mr. Speaker, I have been asked to announce that a memorial service will be held for former Congressman Clifford McIntire on Sunday, October 13, at 3 p.m., at the Calvary Baptist Church, 755 Eighth Street NW.

CONFERENCE REPORT ON S. 3044, FEDERAL ELECTION CAMPAIGN AMENDMENTS OF 1974

Mr. HAYS. Mr. Speaker, I call up the conference report on the Senate bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of October 7, 1974.)

Mr. HAYS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER. The gentleman from Ohio (Mr. HAYS) and the gentleman from Minnesota (Mr. FRENZEL) will each be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. HAYS).

Mr. HAYS. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I have a brief explanation of what the conferees did if the Members are interested. If I detect they are not, I will be glad to sit down. I do not want to take up anybody's time. I know what is in the bill.

The conferees limited the contribution by any one person for a candidate to Federal office to $1,000 per election. Before somebody asks me what this "per election" means, that means a primary and a general, and if there are States that have a law and one is engaged in a runoff, it means a runoff.

No individual may contribute more than $25,000 to all Federal candidates for any election period. And an election period is 2 years. This includes contributions to party organizations.

A limit of $1,000 is also placed on independent expenditures by anyone on behalf of one candidate for Federal office for an entire campaign which includes campaigns, runoffs, special or general elections.

The conferees placed certain limits on multicandidate political committees and/or organizations making contributions.

To qualify they must be registered with the Election Commission for 6 months, receive contributions from 50 persons, and except for State party organizations make contributions to at least five candidates.

The conferees placed a $5,000 limit on the amount an organization may contribute to any candidate in any election. Here again all Presidential primaries are treated as a single election. The $5,000 limit is applicable to each primary, runoff, special or general election, as the case may be.

Candidates are limited to expenditures from their personal funds or the personal funds of their immediate families as follows:

Presidential candidate, $50,000 for an entire campaign.

Senatorial candidate, $35,000 for an entire campaign.

House candidate, $25,000 for an entire campaign.

I feel, Mr. Speaker, a little bit like the Duke of Devonshire when he was Queen Victoria's leader in the House of Lords and he was reading the budget and nobody was paying any attention and right in the middle of the speech he said, "Damn dull, isn't it?", and sat down. I have done everything but sit down and if I get too dull, I will do that in a minute or two. I thought some people might want to know what is in this before it goes into effect.

National and State party organizations are limited to $5,000 in actual contributions to Federal candidates, but may make limited contributions such as on slate cards, as follows:

The conferees limit Presidential candidates to $10 million for campaign expenditures in a primary and $20 million in a general election.

Candidates for the House are limited to $70,000 for each election, plus a 20-percent fundraising cost.

Mr. Speaker, I will yield to the gentlewoman from New York. She is making a louder speech than I am.

The conferees limit candidates for the Senate and Representatives at large to the greater of $100,000 or 8 cents times the voting age population in a primary, the greater of $150,000, or 12 cents times the voting age population in a general election.

They may also spend an additional 20 percent in fundraising expenses.

Public financing is provided for the 1976 Presidential election; in the general election each candidate is limited in campaign expenditures to $20 million and nominees of the major parties are eligible to receive the full $20 million in public funds.

Public financing is not mandatory. The candidate may solicit all donations privately. If the candidate "goes private," however, individual contributions are limited to $1,000 and organization contributions to $5,000. It seems to me under those circumstances any candidate that went public would have rocks in his head, but we have had some that I thought did have rocks in their heads.

Candidates of minor parties—those receiving at least 5 percent of the vote in the preceding election—are eligible for partial funding based on the percentage of the vote received. A third party receiving at least 5 percent of the vote in 1976 will be eligible for partial reimbursement of their expenses.

We allowed $2 million for nominating conventions and again they can take it or not as they like; however, if they decide to go public and not take the $2 million, we have repealed the increased deductions for advertisements and convention program books.

Each candidate for Presidential nomination is limited to campaign expenditures of $10 million and they have to raise matching funds by $5,000 from each of 20 States in amounts of not more than $250 before they will become eligible for matching funds. After raising the $100,000 they are eligible to have

$100,000 in matching money and each amount of $250 or less will be matched up to the limit from the Treasury.

The source of the funding for the Presidential election campaign is the $1 check-off fund. There will be no money picked out of the Treasury. If the fund provides enough money, they will get it on the basis which I have outlined. If there is not enough, then they can raise privately the difference between what they receive and the $20 million limitation.

The conferees agreed upon a Federal Election Commission composed of eight members: two to be appointed by the Speaker; two by the President pro tempore of the Senate; two by the President of the United States; and two nonvoting members, the Clerk of the House and the Clerk of the Senate. All six of the voting members would have to be confirmed by both Houses.

The Commission would receive reports, make rules and regulations, and I think the Members will be interested in this: Subject to review by the Congress within 30 days, they will also maintain a cumulative index of reports filed and not filed. Such special and regular reports to Congress will be prepared as the Congress may require. They also will serve as an election information clearinghouse. The Commission also has the power to render advisory opinions. If they give a Member an advisory opinion that he can do something, he cannot later be prosecuted because they have changed their minds.

We allow them to go to court independently on civil matters such as mandamus of a candidate to cease and desist from an illegal practice, but all criminal matters must still be handled by the Justice Department.

We require a single 10-day pre-election report instead of the present 15 and 5 days reports—because the 5-day report is meaningless anyway. A 30-day post-election report will also be required. We also require quarterly reports only if a candidate spends more than $1,000 in that quarter, so that on the off-year most Members would not have to report.

Contributions of $1,000 or more received in the last 15 days before election must be reported within 48 hours. Cash contributions over $100 are prohibited. All contributions from foreign nationals are prohibited. All contributions in the name of another are prohibited.

We also have a little thing in here which I think the Members might be interested in. That is, we require any organization which spends any money or commits any act for the purpose of influencing an election, must report as a political committee, except that if it only reports to its members, it is exempt; but if it goes national and issues reports purporting to condemn somebody for voting such a way, it has to report. We have to know the source of its income. If we want to know who that is aimed at, I do not want to say out loud, but their initials are C.C.

Those are about the main points of the agreement. I want to pay tribute to my colleagues on the House side for their steadfastness in trying to uphold the provisions of the House bill. I want to pay tribute to Senator CANNON, especially, who was very fine as chairman of the Senate side, and to the Senators who in varying degrees and varying amounts of time finally saw reason and agreed.

Mr. ADAMS. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Washington.

Mr. ADAMS. Mr. Speaker, I first want to compliment the Chairman for what I think is an excellent job in a very difficult area, and I support campaign reform.

I did not hear the Chairman comment on the issue of preemption. Is there a pre-emption clause?

Mr. HAYS. There is a preemption clause. It is the only part of the bill on these sheets which I tried to leave out in order to save time.

The pre-emption clause would become effective upon signature. The rest of the bill would become effective January 1, 1975.

Mr. ADAMS. Mr. Speaker, I thank the gentleman.

Mr. BRADEMAS. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Speaker, I rise in strong support of the conference report to S. 3044, the Federal Election Campaign Act Amendments of 1974.

Mr. Speaker, I would first like to pay a word of special tribute to the distinguished Chairman of the House Administration Committee, the Honorable WAYNE L. HAYS, Democrat of Ohio, for his outstanding leadership on this important legislation, as well as to other members of the committee, particularly the gentleman from New Jersey (Mr. THOMPSON) and the gentleman from Illinois (Mr. ANNUNZIO) and the chairman of the Elections Subcommittee, the gentleman from Pennsylvania (Mr. DENT) and the gentleman from Minnesota (Mr. FRENZEL).

Indeed, members of the committee on both sides of the aisle helped make possible what I believe will come to be regarded as a major accomplishment of the 93d Congress.

Many individuals and groups contributed to the shaping and passage of this legislation. In particular, I want to pay tribute to members of the majority staff of the House Administration Committee, John Walker and Bill Sudow, to Ralph Smith and Bill Loughery of the minority staff, and to our house legislative counsel, Bill Adams and John Cimko.

Although many groups who have worked on this legislation have, at times, had differing opinions regarding specific provisions of the campaign reform bill, they have all been most helpful and I would like to extend special thanks to the Center for Public Financing of Elections and Common Cause for their contributions.

Mr. Speaker, this measure is a historic advance in the reform of our campaign finance laws, one which will go a long way toward eliminating the influence of big money in our Federal elections and one which will make our system of financing campaigns for Federal office more fair and open.

Mr. Speaker, the conference report sets strict limits on campaign expenditures and contributions. To limit the influence of big money in the areas which I believe offer the greatest potential for abuse—all phases of election to the office of President—the conference report strengthens the existing dollar checkoff law with respect to presidential general elections and authorizes the use of checkoff funds for presidential nominating conventions and presidential primary elections.

To strengthen the enforcement of Federal election laws, the conference report improves the reporting requirements of the Federal Election Campaign Act, provides for principal campaign committees to centralize reporting requirements, and establishes an independent Federal Election Commission to supervise and enforce Federal election laws.

Mr Speaker, I would like briefly to summarize the major provisions of the Federal Election Campaign Act Amendments of 1974.

CONTRIBUTION LIMITS

The bill would limit contributions to candidates by persons to $1,000 per election—primary, runoff, special election and general election.

It would limit contributions to a candidate by multi-candidate committees to $5,000 per election. Multicandidate committees would be defined as committees which have: First been registered for 6 months pursuant to the Federal Election Campaign Act; Two, received contributions from more than 50 persons; and Three, contributed to at least five candidates for Federal office.

The bill would prohibit contributions by foreign nationals and would limit the aggregate of all contributions by any individual to $25,000 per year, except that, for purposes of this limit only, non-election year contributions would be counted as contributions in an election year.

EXPENDITURE LIMITS

Mr. Speaker, the report would also set strict limits on campaign spending.

Candidates for the office of President would be able to spend no more than $20 million; candidates for nomination to the office of President could spend no more than $10 million.

Candidates for the Senate and Representative-at-large would be able to spend, in primary elections, $100,000, or 8 cents times the voting age population, whichever is greater; and, in general elections, $150,000, or 12 cents times the voter population, whichever is greater.

Candidates for the House of Representatives would be able to spend $70,000 in each of the elections, primary, general, and, if any, a runoff.

In addition, the bill would allow candidates to spend up to 20 percent above these limits to meet the costs of fundraising. This provision is particularly important in view of the substantial cost of raising campaign funds through small contributions.

The bill would also allow the national party organizations and State and local party organizations to make additional

expenditures, in general elections only, on behalf of candidates for Federal office.

USE OF CASH

Mr. Speaker, the Federal Election Campaign Act amendments would impose strict limits on the use of cash by requiring that all cash contributions and cash expenditures in excess of $100 be by written instrument.

PRINCIPAL CAMPAIGN COMMITTEES AND DISCLOSURE REPORTS

To simplify reporting requirements and facilitate the dissemination of campaign finance information, the bill would eliminate the 15- and 5-day preelection reports and would substitute for them the single preelection report 10 days before each election.

In addition, the bill would require a report 30 days after each election. Candidates and committees would not be required to file quarterly reports if such a report should fall within 10 days of a pre- or post-election report or if in that quarter neither contributions nor expenditures exceed $1,000.

The bill also would provide for the designation of principal campaign committees to file consolidated reports of all expenditures and contributions of committees which support the candidate.

Conferees also agreed to a new provision that would require any organization which expends any funds or commits any act directed to the public for the purpose of influencing the outcome of an election or which publishes or broadcasts to the public any material referring to a candidate advocating the election or defeat of such candidate to file reports pursuant to the Federal Election Campaign Act, just as any other political committee must file. A question has been raised whether this section requires newspapers to file reports required therein, particularly with regard to advertising they may print favoring or opposing candidates. I wish to state that it is my understanding as a member of the Conference Committee that we did not intend to require broadcast stations or bona fide newspapers, magazines, or other periodical publications, as defined in this section, to file disclosure reports, but rather we intended to require the organizations who paid for the advertising to file.

FEDERAL ELECTION COMMISSION

Mr. Speaker, to assure full compliance with and effective enforcement of the election laws, the bill would establish an independent Federal Election Commission.

The Commission would be composed of eight members—six members of the public appointed on a bipartisan basis, two each by the Speaker of the House, the President pro tempore of the Senate and the President; and two ex-officio members, the Clerk of the House and the Secretary of the Senate, both of whom are to serve without a right to vote.

Under the bill, candidates for the House and Senate would continue to file disclosure reports with the Clerk of the House and the Secretary of the Senate. Any apparent violations of election laws which the Clerk or the Secretary discovers would have to be referred immediately to the Commission.

The Commission could then refer these apparent violations to the Department of Justice for appropriate enforcement action or could investigate these and any other complaints of alleged election law violations and encourage voluntary compliance through informal means.

The Commission would have civil enforcement authority but the Department of Justice would continue to have the sole authority to prosecute apparent violations of the criminal election laws.

Mr. Speaker, it was the intent of the conferees that the Federal Election Commission have primary jurisdiction in all election law matters and that persons, individuals or organizations who may have complaints about possible violations first exhaust their administrative remedies with the Commission. It was also the view of the conferees that the Commission should seek to effect voluntary compliance through informal administrative procedures before it initiates any civil enforcement action.

To assure expeditious enforcement action by the Department of Justice, the bill requires the Attorney General to report to the Commission on the status of referrals—60 days after the referral and at the close of every 30-day period thereafter.

To assure that regulations written by the Commission conform with the election laws, the Commission would be required to submit its regulations to the House and the Senate for review and approval.

PUBLIC FINANCING OF PRESIDENTIAL ELECTIONS

And finally, Mr. Speaker, the bill would provide a full package for public financing of Presidential elections.

The bill would strengthen the existing dollar checkoff fund established by the 1972 law Congress passed to finance Presidential general elections by providing that the amount of public money available from the checkoff fund conforms to the spending limit for general elections—$20 million—and, in order to assure that the dollars checked off by individual taxpayers are actually available, by providing that the dollar checkoff fund be self-appropriating.

In addition, the bill authorizes up to $2 million of dollar checkoff funds to each of the major political parties for Presidential national nominating conventions.

Public financing for the national convention would be voluntary so that any political party that chose to continue to finance its convention with private resources could continue to do so. However, overall expenditures from both public and private sources would, under ordinary circumstances, be limited to $2 million for each party convention.

Finally, Mr. Speaker, the bill would provide for limited public financing of Presidential primary elections by authorizing matching payments from the dollar checkoff fund for small contributions.

Presidential primary candidates would receive matching payments for the first $250 or less received from each contribution. The maximum amount of public money a candidate would receive would be one-half the expenditure limit for Presidential primaries. Under this bill, that would mean that each candidate could receive up to $5 million. To prevent public financing of frivolous candidates, the bill would require a candidate to accumulate at least $5,000 in matchable contribtuions—$250 or less—in each of 20 States.

Mr. Speaker, all public funds would come from the surplus in the dollar checkoff fund after funds have been set aside to meet the estimated obligations of Presidential general elections and nominating conventions. Because experts estimate that the checkoff fund will contain approximately $64 million by 1976 and that some $46 million would be used for general elections and conventions, approximately $18 million should be available for primary elections.

Mr. Speaker, I regard public financing of presidential campaigns as one of the most important features of the bill. Clearly, the potential for the abuse of big money is the greatest in the area of presidential elections, and public financing would, in my view, drastically reduce the possibilities of abuse.

Mr. Speaker, the Federal Election Campaign Act Amendments of 1974 is solid, constructive campaign reform legislation. If passed, this bill, I am confident, will prove to be a major advance in the financing of campaigns for Federal office. I urge the adoption of the conference report.

Mr. Speaker, I include in the RECORD a summary of the campaign reform bill prepared by Susan King and Neal Gregory of the Center for Public Financing of Elections:

THE CAMPAIGN REFORM BILL—A SUMMARY

(Federal elections campaign act amendments of 1974

CENTER FOR PUBLIC FINANCING OF ELECTIONS,
October 8, 1974.

CONTRIBUTION LIMITS

Limits on individual contributions

$1,000 limit on amount an individual may contribute to any candidate for U.S. House, Senate, or President in primary campaign (Presidential primaries treated as single election).

$1,000 limit on contribution to any federal candidate in general election (run-offs and special elections treated as separate elections; separate $1,000 limit applies).

No individual may contribute more than $25,000 for all federal campaigns for entire campaign period (includes contributions to party organizations supporting federal candidates).

No more than $1,000 in independent expenditures on behalf of any one candidate for federal office per entire campaign is permitted.

Certain "in-kind" contributions (up to $500 per candidate per election) are exempt from contribution limits.

Limits on organization contributions

(To qualify as an organization, must be registered with Elections Commission for six months, receive contributions from more than 50 persons and, except for state party organizations, make contributions to at least five candidates.)

$5,000 limit on amount an organization may contribute to any candidate for U.S. House, Senate, or President in primary election campaign (Presidential primaries treated as single election).

$5,000 limit on contributions to any federal

candidate in general election (run-offs and special elections treated as separate elections; separate $5,000 limit applies).

No more than $1,000 in independent expenditures on behalf of any one federal candidate during entire campaign period.

No limit on aggregate amount organizations may contribute in campaign period, nor on amount organizations may contribute to party organizations supporting federal candidates.

Certain "in-kind" contributions (up to $500 per candidate per election) are exempt from contribution limits.

Limits on candidate contributions to own campaign

President: $50,000 for entire campaign.
Senate: $35,000 for entire campaign.
House: $25,000 for entire campaign.

Limits on party contributions

National and state party organizations limited to $5,000 in actual contributions to federal candidates, but may make limited expenditures on behalf of its candidate in general election [see spending limits].

SPENDING LIMITS

(Existing limits on media spending repealed. Total candidate spending limit includes basic limit, plus 20 percent additional permitted for fund-raising, plus limited spending by parties in general election.)

Party conventions: $2 million for national nominating convention.

Presidential candidates

Primary: $10 million basic limit; in addition, candidate allowed to spend 20 percent above limit for fund-raising—total, $12 million. In any presidential primary, candidate may spend no more than twice what a Senate candidate in that state is allowed to spend. (See chart for Senate limits.)

General: $20 million basic limit. (Presidential candidate not opting to receive public financing would be allowed to spend an additional 20 percent for fund-raising.)

Party: National party may spend 2¢ times Voting Age Population, or approximately $2.9 million, on behalf of its Presidential nominee in general election.

Senate candidates

Primary: 8¢ x VAP of state or $100,000, whichever is higher. Additional 20 percent of basic limit allowed for fund-raising. (See attached chart for state by state amounts.)

General: 12¢ x VAP of state or $150,000, whichever is higher. Additional 20 percent of basic limit allowed for fund-raising.

Party: In general election, 2¢ x VAP or $20,000, whichever is higher, by national party, and 2¢ x VAP or $20,000 by state party. [See attached chart for state totals.]

House candidates

Primary: $70,000. Additional 20 percent of limit allowed for fund-raising. (Total—$84,000.) House candidates running at large permitted to spend same amount as Senate candidate in that state.

General: $70,000. Additional 20 percent allowed for fund-raising. (Total—$84,000.) House candidates running at large permitted to spend same as Senate candidate in that state.

Party: In general election, $10,000 by national party and $10,000 by state party on behalf of House candidates.

PRESIDENTIAL PUBLIC FINANCING

(From Dollar Check-Off Fund)

General election

$20 million in public funds; acceptance optional. Major party nominee automatically qualifies for full funding; minor party and independent candidates eligible to receive proportion of full funding based on past or current votes received. If candidate receives full funding, no private contributions permitted.

Conventions

$2 million; optional. Major parties automatically qualify. Minor parties eligible for lesser amount based on proportion of votes received in past or current election.

Primaries

Federal matching of private contributions up to $250, once candidate has qualified by raising $100,000 ($5,000 in each of 20 states) in matchable contributions. Only first $250 of any private contribution may be matched. The candidates of any one party together may receive no more than 46 percent of total amount available in the Fund; no single candidate may receive more than 25 percent of total available. Only private gifts raised after January 1975 qualify for matching for the 1976 election; no federal payments will be made before January 1976.

ENFORCEMENT

Creates 6-member Federal Elections Commission responsible for administering election law and public financing program, and vested with primary civil enforcement.

President, Speaker of House, and President Pro-Tem of Senate each appoint two members (of different parties), all subject to confirmation by both Houses of Congress. (Such members may not be officials or employees of any branch of government at time of appointment.)

Secretary of Senate and Clerk of House to serve as ex-officio, non-voting members of Commission, and their offices to serve as custodian of reports for candidates for Senate and House.

Commissioners to serve full-time, six-year, staggered terms. Rotating one-year chairmanship.

Commission to receive campaign reports; make rules and regulations (subject to review by Congress within 30 days); maintain cumulative index of reports filed and not filed; make special and regular reports to Congress and President; serve as election information clearinghouse.

Commission has power to render advisory opinions; conduct audits and investigations; subpoena witnesses and information; initiate civil proceedings for relief.

Criminal violations to be referred to Justice Department for prosecution; provision for advancing cases under the Act on the court docket, and judicial review.

REPORTING AND DISCLOSURE

Candidate required to establish one central campaign committee; all contributions and expenditures on behalf of candidate must be reported through this committee. Also requires designation of specific bank depositories.

Full reports of contributions and expenditures to be filed with Commission 10 days before and 30 days after every election, and within 10 days of close of each quarter unless committee has received or expended less than $1,000 in that quarter. Year-end report due in non-election years.

Contributions of $1,000 or more received within last 15 days before election must be reported to Commission within 48 hours.

Cash contributions over $100 prohibited.

Contributions from foreign national prohibited.

Contributions in name of another prohibited.

Loans treated as contributions; must have co-signer or guarantor for each $1,000 of outstanding obligation.

Requires that any organization which spends money or commits any act for the purpose of influencing any election (such as the publication of voting records) must report as a political committee. (This would require reporting by such lobbying organizations as Common Cause, Environmental Action, ACA, etc., and perhaps many other traditionally non-electoral organizations).

Every person who spends or contributes over $100, other than to or through a candidate or political committee, is required to report.

OTHER PROVISIONS

No elected or appointed official or employee of government may accept more than $1,000 in honorarium for speech or article, or $15,000 in aggregate per year.

Removes Hatch Act restrictions on voluntary activities by state and local employees in federal campaigns, if not otherwise prohibited by state law.

Corporations and labor unions which are government contractors are permitted to maintain separate, segregated voluntary political funds in accordance with 18 USC 610. (Formerly all contributions by government contractors were prohibited.)

Permits use of excess campaign funds to defray expenses of holding federal office or for other lawful purposes.

Prohibits solicitation of funds by franked mail.

Pre-empts state election laws for federal candidates. This section takes effect upon enactment.

PENALTIES

Increases existing fines to maximum of $50,000.

Candidate for federal offices who fails to file reports may be prohibited from running again for term of that office plus one year.

EFFECTIVE DATE

January 1, 1975 (except for immediate preemption of state laws).

Mr. HAYS. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I started to say that I wanted to pay tribute to Senator CANNON and to the other Senators. Although Senator KENNEDY argued long and hard for total public financing, he decided—I think rightly, and he was reasonable—that we ought to have a bill, and that since the House was adamant, he and his colleagues and the Senate were split on that, and decided to go along. I want to pay tribute to him.

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from California.

Mr. KETCHUM. I thank the gentleman for yielding.

Mr. Speaker, I thank the gentleman for attempting to explain this bill under very adverse conditions.

I just have two questions. One is on the financing of the national conventions and the provisions for public financing of Presidential campaigns. If the check off of finances does not have sufficient funds, is there some sort of formula so that both of the major parties and minor parties can qualify?

Mr. HAYS. If the check off does not have sufficient funds, the money will be provided equally, according to what is there, and both parties may raise the difference publicly, subject to the limitations of the bill. In other words, the Internal Revenue says there will be plenty of money. But should there not be, and each party was to get $17 million, they could raise $3 million in the regular way.

Mr. KETCHUM. Mr. Speaker, would the gentleman yield further?

Mr. HAYS. I yield to the gentleman.

Mr. KETCHUM. Mr. Speaker, did I understand correctly that deductions on the part of corporations or companies or

individuals advertising in, say, a program for the convention, to either party, those will no longer be deductible?

Mr. HAYS. No longer tax deductible.

Mr. KETCHUM. One final question. Is there a provision in the bill that provides some form of restriction on in-kind contributions?

Mr. HAYS. Well, not specifically. We tried to deal with that in a general way by giving some small exemptions. I will just give the gentleman one example. If somebody sells food and beverages for a fund raiser at not less than his cost, the difference between the wholesale price and retail price is not considered to be a contribution. We tried to spell out those various gray areas as best we could.

Mr. KETCHUM. Mr. Speaker, I thank the gentleman.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. HAYS. Yes, I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, I certainly want to commend the chairman of the committee for the outstanding job he has done, and particularly in view of the existing pressures, for having worked out a bill that I think protects the public interest against improperly influenced elections and at the same time prevent the bill itself from being used to influence elections improperly. Particularly I am referring to the chairman's stand against a Presidentially appointed elections commission. In light of Watergate, such a commission could have opened the door to gross abuses. We all owe the gentlemen a debt of gratitude. He and the other members of the conference committee deserve our gratitude.

Mr. HAYS. I thank the gentleman.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HAYS. Mr. Speaker, I prefer that the other side use some of their time. I am down to very little time left. Perhaps they can answer the questions I have not. Perhaps I will get some time and yield later.

Three important aspects of the legislation should be underlined. First, the House conferees successfully insisted that the Federal Election Commission created by the act have "primary jurisdiction with respect to the civil enforcement" of the act's provisions. The current provisions of the United States Code regulating Federal elections, with one minor exception, state that violations shall be punished through the criminal law. The bill before the House while retaining and strengthening these criminal sanctions provides also for a comprehensive system of civil enforcement. In order to assure that civil suits are not misused in a partisan manner, and that the complex and sensitive rights and duties stated in the act are administered expertly and uniformly, the act provides that all civil complaints predicated upon or pertaining in any manner to titles I and III of the act or sections 608 through 617 of title 18 United States Code shall be channeled to the Commission. Under section 315 persons challenging the constitutionality of any provision of the act, retain their right to do so in court without exhausting administrative remedies to the extent the courts have jurisdiction under established principles. The delicately balanced scheme of procedures and remedies set out in the act is intended to be the exclusive means for vindicating the rights and declaring the duties stated therein. It should also be noted that while judicial review is provided by section 314(a) when the Commission "grants" certain orders, a determination that there is no probable cause to believe that a violation charged has occurred, whether made by the Commission or the Attorney General, is not reviewable.

Second, the bill reported by the conferees follows the House bill in setting out a few carefully limited exemptions to the terms "contribution" and "expenditure" as defined in sections 591 (e) and (f) of title 18, United States Code. There are certain exemptions made to one term that are not also made to the other. This is because "contribution" standing alone refers to a donation to a candidate or other person for the latter's independent use, while an "expenditure" is the use of money and other things of value by a candidate or other person in his own name. Thus, the bill exempts communications by membership organizations to their members and by corporations to their stockholders from the definition of expenditure. That exemption, of course, includes communications by a federated organization to its members on behalf of its affiliates utilizing its own or its affiliate's resources and personnel, and by a parent corporation on behalf of its subsidiaries. No such exemption is provided to the term "contribution" because such communications plainly do not fall within the meaning of that term.

Finally, the conferees, again at the insistance of the House, developed a new section 308 to be added to title III of the act. That section requires organizations that buy space or time in the mass media or utilize such means as mailings to nonmembers in order to influence the outcome of an election or to state a candidates position on any public issue. voting record or other official act, to report in essentially the same manner as a political committee. This section does not require an organization to report simply because it directs communications to its members even if a small number of those communications are provided to others at their request; because an official responds to requests for information by the press or participates in a conference or meeting devoted to the discussion of issues of public importance; or because, as permitted by law, the organization establishes a political committee.

Mr. FRENZEL. Mr. Speaker, I yield five minutes to the gentleman from Ohio (Mr. DEVINE).

(Mr. DEVINE asked and was given permission to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, I rise not to discuss the technical aspects of this bill, but to speak particularly to my colleagues from this side of the aisle who have had a great deal of concern about the public financing aspects of this legislation.

I was one of about 45 Members who voted against this bill when it came through the House, on the basis of my concern on the public financing features of it, and knowing the strong position of the other body on Presidential, Vice Presidential, senatorial, and congressional public financing, I must compliment the chairman of the Committee on House Administration, who was also chairman of the conference, on the tremendous amount of work and patience he exhibited during the conference. The gentleman had some rather strong persons from the other body, such as Senator KENNEDY, Senator SCOTT, Senator GRIFFIN, Senator CANNON, and others, and they were almost adamant in their position of public financing across the board, including the House and the Senate.

Our chairman and the House conferees stood steadfast against the conferees on the other side, and it was not easy.

Our chairman, the gentleman from Ohio (Mr. HAYS), was unjustly accused by the organization he identified as "C.C." I will call it Common Cause. It was no surprise. It accused him of throwing a roadblock in this legislation.

He worked hard to get a bill out that he thought meaningful and which we all felt meaningful, to the point where I, as one of the conferees who voted against this bill when it came through, intend to vote for the conference report.

Mr. HAYS. Will the gentleman yield?

Mr. DEVINE. Yes, I yield to the gentleman from Ohio.

Mr. HAYS. Speaking of roadblocks, one thing that slowed the conference down is the fact that the Common Cause lobby was outside the door all the time sending messages in to staff people, which went to conferees, and that took several hours. Otherwise, we would have gotten through a lot quicker.

Mr. DEVINE. As far as the House is concerned, the House and Senate no longer are included in the public financing feature.

The limitation on the amount for primary and elections of representatives was increased from $60,000, plus 25 percent for fundraising expenses, to $70,000, plus 20 percent, which totals roughly $84,000.

If one adheres to the exact language of the bill, this, I think, is a compromise between the Senate position, where they wanted to guarantee $90,000 to every single congressional candidate who wanted to file for office and who could then qualify under the Senate version.

By and large, in my opinion, the conference report is good, and I intend to vote for it.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I wonder if I might get the attention of the chairman of the Committee on House Administration so that I can pursue the question I wanted to ask the chairman of the Committee on House Administration earlier.

I should like to ask about the qualification of minor parties for public financing, as provided for in this conference report.

Let us assume, if we can, that parties

qualify under the laws of each State, and in one State we have a third party listed on the ballot as the American Party; in another State, the third party listed is the Independent Party; in another State, it is the American-Independent Party, each nominating the same candidate or the same candidates for President and Vice President. How is the 5 percent of the vote figured which would qualify a party or the candidate for some share of public financing?

Mr. HAYS. To answer the gentleman, the preceding election would be the qualifier. If somebody purporting to be a candidate of one party ran in different States under different labels, I do not see what we can stretch the law to prevent it. They have to get more than 5 percent and less than 15 percent of the vote to be qualified as a minor party.

Mr. BROWN of Ohio. Under the same party label in all States and with the same party trustees, as it were, in all States?

Mr. HAYS. The Commission can issue regulations.

It would be, I believe, the intent of the House conferees—and I am not speaking for the Senate—that they would actually vote under the same label.

Mr. BROWN of Ohio. So that the same party would have to qualify in several different States in order to qualify under the 5-percent provision?

Mr. HAYS. I would think they would have to qualify in several different States in order to accumulate the 5 percent.

The SPEAKER. The time of the gentleman from Ohio (Mr. DEVINE) has expired.

Mr. FRENZEL. Mr. Speaker, I yield 2 additional minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman's yielding.

Just so the record is clear, and I am sure we all understand this, even though the so-called income tax form checkoff system, has been validated so that individuals may participate on a voluntary basis, those "checkoff" dollars still have to come out of the Treasury, and it is an add-on cost to all other appropriations that we have made; is that not true?

Mr. DEVINE. Mr. Speaker, the checkoff system is a voluntary effort on the part of the taxpayer who feels he would like to participate in public funding of a Presidential and Vice-Presidential campaign. It does not mean he is charged the dollar out of his income tax return; it means the dollar he pays into the Treasury is earmarked for the campaign, the first $2 million of which goes to each party for the convention and the balance of which, up to $20 million, goes to each major party.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield further?

Mr. DEVINE. I yield to the gentleman from California.

Mr. ROUSSELOT. Those dollars are still add-on dollars, dollars that have to come out of the Federal Treasury?

Mr. DEVINE. They constitute a net loss to the Treasury, that is correct.

Mr. ROUSSELOT. Even though it could be considered indirect, this means that this bill establishes another way by which we will be contributing to deficit financing?

Mr. DEVINE. Yes. We are talking in the area of about $44 million each 4 years.

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield further, I will ask this:

So this great belief and myth that has been promoted by several organizations that this is kind of "free money" clearly is not true?

Mr. DEVINE. Mr. Speaker, the gentleman well knows there is no such thing as free money. We in Washington are merely distributors; we are not producers. It all must come from the taxpayers.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman for his response.

Mr. FRENZEL. Mr. Speaker, I yield 3 minutes to the gentleman from Colorado (Mr. ARMSTRONG).

(Mr. ARMSTRONG asked and was given permission to revise and extend his remarks.)

Mr. ARMSTRONG. Mr. Speaker, I am grateful to my friend, the gentleman from Minnesota, for yielding time to me. I commend the gentleman and other Members who have worked to bring this conference report before the House. I congratulate them on their effort. But I disagree with the result.

As I have told Members of the House before, I think there are many mischievous provisions in this legislation.

Mr. Speaker, there is some good in this legislation. I am particularly pleased that the conference report provides a strong independent commission to enforce provisions of this act.

But I would be remiss if I did not voice my objection to Federal financing of conventions and to the failure of this bill to adequately define and outlaw certain improper in-kind contributions, and for the fact that it is in tone and in detail a proincumbent bill. It is really a "sweetheart" bill, one that will serve primarily to reelect incumbents and make it harder than ever for challengers to unseat an entrenched incumbent.

But, Mr. Speaker, the part of this bill that make it most objectionable, the part that makes an antireform bill, is the provision that limits the right of voters to speak out on candidates who are running for public office.

It is one thing to limit candidates expenditures. But it is completely wrong to limit the rights of citizens in this regard.

Although it is probably unconstitutional to do so, it may be a good policy to restrict candidate spending.

However, when that same limitation is applied to people who are not running for office, people who are simply attempting to comment on the election process, it is a different matter. When we give to candidates for public office the veto power over other persons rights, those who wish only to comment, those who may want to support a candidate, those who may want to oppose one candidate and support another, and those who may want to take out a newspaper advertisement to say, "A pox on both candidates," then we are tinkering with a fundamental right of the American people.

We are introducing a concept that is probably unconstitutional, as indeed a 3-judge court in New York said not too long ago in the case of ACLU against Jennings. I believe the Supreme Court will affirm the lower court's ruling in that case.

But it is not my purpose to argue the narrow legal question. I am simply telling the Members it is wrong. I think in our hearts we know it is wrong; we know it is contrary to the American system and it is contrary to the spirit of the election process. I believe the day will come when we will reverse this unwise act we are about to take.

So with regret I am going to vote against this conference report. Not regret because I am taking what I know will be an unpopular position, but regret that the House has once again failed to institute true reform in legislation and has, instead, brought to us legislation that is reform in name only and which is, in fact, antireform.

Mr. FRENZEL. Mr. Speaker, I yield myself 5 minutes.

(Mr. FRENZEL asked and was given permission to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, I rise in strong support of the conference report to the bill S. 3044, the Federal Election Campaign Act Amendments of 1974.

The conferees have adopted most of the best provisions of the House and Senate bills. The final results is a bill with numerous strengths and few weaknesses. Perhaps the greatest weakness is the low spending limit which makes the bill to some extent, an "incumbent protection bill." Also, the bill does not repeal the equal time provision and fails to stringently regulate special interest giving, but it does have the following positive features:

First, and most importantly, the bill establishes an independent Federal Elections Commission with the power and authority to oversee all Federal election law. Commissioners will be full-time and serve 6-year terms. Two will be appointed by the President, two by the President pro tempore upon the recommendations of the majority and minority leaders of the Senate, and two by the Speaker upon the recommendations of the majority and minority leaders of the House. The Commission will have both subpena and civil enforcement powers. Criminal enforcement remains with the Justice Department, but the Attorney General is held accountable to the Commission for reporting on the disposition of violations referred to him. The establishment of an independent Commission is the key provision in the bill. It will assure judicious, expeditious enforcement of the law, while reversing the long history of nonenforcement.

Second, the conference report sets limitations on contributions. No individual will be allowed to give more than $1,000 per election per candidate. No political committee more than $5,000. Individuals will be limited to $25,000 in contributions to all candidates and committees every 2 years. The $25,000 provision will be the

death knell of the "fat cat". It will take not 1 year, but 160 years for the Stewart Motts and Clement Stones and other big spenders to give $2 million to all Federal candidates, and 2,000 years to give $2 million to one candidate.

Third, expenditures are limited to $70,000 per House race plus 20 percent for fund raising or $84,000. In Senate races and races for Representative in States with only one Representative, a candidate can spend the greater of $100,000 or 8 cents per voter in the primary election and $150,000 or 12 cents per voter in the general election. A candidate for President can spend up to $10 million for the nomination and $20 million in the general election. Coupled with the cost of living index and the provisions which allow parties to spend independently of candidates, the bill will eliminate the worst spending abuses, while assuring that a challenger has at least some chance to defeat an incumbent.

Fourth, the bill increases the role of political parties in campaign financing. Both the national committee and the State committee of a political party will be able to make expenditures of $10,000 to candidates for the House in addition to the expenditure limitations imposed on the candidate. By contributing to a candidate, the party can increase his spending limit by $20,000. The comparable figures for Senate races and races for Representative in a State with only one Representative will be the greater of $20,000 or 2 cents per voter.

Fifth, candidates will be encouraged to raise funds from small contributors through the 20 percent allowance for fund raising.

Sixth, the bill limits cash contributions to $100.

Seventh, the bill prohibits contributions by foreign nationals.

Eighth, expenditures from the candidate's personal funds and the personal funds of his immediate family are reduced to $25,000 for the House, $35,000 for the Senate and $50,000 for the President.

Ninth, the conference agreement limits honorariums to $1,000 per appearance and $15,000 per calendar year.

Tenth, the bill makes it unlawful for a candidate or any agent or employee of a candidate to fraudulently misrepresent himself as acting for or on behalf of any candidate or political party.

Eleventh, it requires rating groups and other organizations which attempt to influence public opinion to register with the Commission as a political committee and report the source and amount of its funds and its expenditures.

Twelfth, it requires all candidates to designate a principal campaign committee and depository. All reports by committees supporting a candidate must be compiled by the principal campaign committee and all expenditures must be made by a check drawn on the depository, except for petty cash expenditures of less than $100.

Thirteenth, the bill reduces the 5- and 15-day preelection reports to one 10-day report. Also, candidates will not have to file reports in any calendar quarter in which they receive contributions and make expenditures of less than $1,000.

Fourteenth, the Commission can give candidates advisory opinions which determine whether specific transactions or activities are violations of the law. Any candidate who complies with an advisory opinion shall be presumed to be in compliance with the law.

Fifteenth, the bill provides for expeditious review of constitutional questions. Unlike at present, we will not be left in limbo for a prolonged period of time because of the failure of the courts to expeditiously review the constitutionality of election law.

Sixteenth, the bill preempts State law. Candidates will no longer have to worry about complying with 51 different sets of standards and reporting requirements.

Seventeenth, the media expenditure limitations are repealed. Candidates will have the flexibility to spend their money as they see fit.

Eighteenth, State and local employees are allowed to participate in political campaigns.

Nineteenth, public financing is limited to Presidential races. While there is far too much public financing in the bill to suit my taste, we will at least get a chance to see how it works in the 1976 elections. The conferees wisely decided that it was better to risk disaster in only one race rather than 469 races.

Twentieth, the bill becomes effective on January 1, 1975 after the campaign has ended and before special interests and other persons have time to invent schemes to use the period before the effective date to carry out activities that are legal presently, but illegal under the new act.

The House Republican Task Force on Election Reform, of which I am chairman, has enthusiastically endorsed this bill as a major step forward in the cleaning up of the electoral process. I urge Members on both sides of the aisle to give overwhelming support to final passage of this bill.

Mr. Speaker, passage of this legislation will end the American people's long wait for a positive response to the events of the past few years. No other practical, concrete action can do more to restore public confidence than the passage of a meaningful campaign reform bill. By giving overwhelming support to this landmark legislation, we will send a clear message to the American people that Congress is concerned about, and responsive to the need to restore public confidence in our democratic system of government.

The conferees have agreed to a far-reaching set of reforms which will place limitations on contributions and expenditures, create an independent administration and enforcement mechanism, publicly finance presidential elections, and maintain and strengthen the disclosure provisions of the 1971 law.

While the conferees were most careful in their deliberations and spent considerable time and effort in coming to an agreement, there were some finer points that have not been covered in either the bill or the conference report. There was not sufficient time in the conference to deal with these problems. I would like to comment on them briefly today.

PROLIFERATION LANGUAGE

A major problem with the limitations on contributions is that organizations that contribute to candidates may attempt to proliferate their political committees to circumvent the limitations. Thus, an organization could subdivide into 20 committees each able to give $5,000 or a total of $100,000 to a candidate. This subterfuge would be clearly a violation of the law.

The conference accepted the House version on committee limits. The House report contained language in two places dealing with this problem. Unfortunately, due to an oversight, the conference report only included the lanugage on page 16 of the House report. It should have also included the language on page 5, which reads as follows:

A question was raised in the committee regarding possibility of circumventing the limit on contributions by political committees where a national committee of a political organization may contribute the maximum amount to a candidate and a state or local sub-unit or subsidiary of that committee may also contribute to the same candidate. *It is the intent of the committee* to allow the maximum contribution from each level of the organization if the decision or judgment to make such contribution is independently exercised within the separate levels of the organization. However, if the subsidiary or sub-unit organizations are under the control or direction of the parent organization with respect to their contributions to specific candidates, then the organizations acting in concert would constitute one political committee for the purpose of the contribution limits included in this bill.

In my judgment, the conferees agreed with the House analysis.

MULTICANDIDATE COMMITTEE ADMINISTRATIVE EXPENSES

A second major problem is that of the administrative expenses of multicandidate committee. The conferees generally agreed that it would be difficult, if not impossible to attempt to prorate the normal day-to-day administrative expenses of multicandidate committees to each individual candidate. Any effort to attribute these costs to the contribution and expenditure limitations of any candidate would be unfair to both the candidate and the committee. Language that would clear up this issue was inadvertently left out of the report.

However, there is general agreement among the conferees that the provisions placing limitations on contributions and expenditures should not require a multicandidate committee, a national committee of a political party, the senatorial campaign committees, the congressional campaign committees, and a State committee of a political party to credit to a candidate's limitations on expenditures and contributions or to otherwise attribute to any political candidates or his political committees a portion of their normal day-to-day expenses.

Any other interpretation would create an enormous amount of administrative busy work for all candidates and might cause wholesale violations of the law. For example, a congressional campaign com-

mittee might spend approximately $14,000 per year per Member in administrative expenses for staff and services. If these expenses were credited to each Member's contribution limitations, every Member would be in violation of the law. If they were credited to candidates' spending limitations, how would the costs be apportioned to each candidate?

If a candidate was not offered any services by the committee or did not want any staff or services credited to his campaign, how could he be forced to attribute them to his limitation? The best solution seems to be to exempt normal, administrative expenses from the limitations.

These day-to-day expenses should be defined to include such items as research, speech writing, general party organization and travel, party publications, fund raising expenses, staff at various party headquarters in the field and national convention expenditures, provided that such expenses do not contribute directly to any candidate's campaign effort.

The Federal Elections Commission will have to publish specific regulations on these and other matters that are not completely clear in either the law or the report.

NEWSLETTERS

Questions have been raised as to whether or not congressional newsletters and other similar publications would be considered expenditures under the provisions of this bill. The congressional franking law passed last spring clearly states that such newsletters and other similar publications are legitimate expenses and can be sent under the frank. In general, I believe the Commission should follow the following guideline: if any item or publication can be sent under the frank, it should not be counted as an expenditure for the purpose of influencing an election. Hence, congressional newsletters and other similar publications need not be credited to the contribution or expenditures limits of congressional candidates.

EXPENDITURES AND CONTRIBUTIONS INFLUENCING ELECTIONS

In attempting to ascertain whether or not a contribution or expenditure by a group or organization is made for the purpose of influencing an election, the Commission should take into account the nature and goals of the organization making such expenditure. For example, a party committee might stage a seminar or workshop for party workers on campaign methods or techniques. It would be difficult to compute how much such seminars or workshops aid a candidate. Even if this could be computed, it would be incidental to the primary purpose of the program, because the main goal of such party activities is to strengthen the party, not to benefit the candidate.

On the other hand, if a special interest committee were to conduct the same type of activity, especially in an area in which there are candidates which it supports, there might be a significant difference. Special interest committees often conduct such affairs for the purpose of aiding friendly candidates. The main goal of special interest political activity is usually to influence leigslators and campaigns, while that of the party is usually to build a strong party organization.

The Commission should also investigate the differences between party publications and special interest publications, and party field workers and special interest field workers. The goal of the party in each instance is generally not, like in the case of many special interest groups, directly influencing elections and legislation, but building a strong party organization.

SECTION 308

The bill inserts a new section in the Federal Election Campaign Act—section 308) which will require groups and organizations which expend any funds or commit any act directed to the public for the purpose of influencing the outcome of an election, or which publishes or broadcasts to the public material intended to influence the public opinion with respect to candidates for Federal office to register with the commission as a political committee and report the source and amount of its funds and of its expenditures.

During the Senate debate—on page S 18526 of the October 8, 1974, CONGRESSIONAL RECORD, the Senator from Nevada (Mr. CANNON) is quoted as saying:

> But this section does not reach an organization that limits itself to activities along the following lines: issuing communications directed to its members, making its position known to members of the press and to public officials, or participating in conferences and meetings and other discussions devoted to public issues. In other words, section 308 will cover organizations that use their funds to propagandize the general public but does not restrict internal communications or restrict the flow of news or the discussion of public issues.

As a House conferee on this bill, I disagree with that statement. This section is clearly intended to include rating sheets, press releases, press conferences, communications to the press, seminars, and other similar activities which are directed at the public or which attempt to influence public opinion with respect to officeholders or candidates. It specifically includes publications "primarily for distribution to individuals affiliated by membership or stock ownership with the person distributing it."

The purpose of this provision is not to discourage such activity, but to insure that the public is aware of the persons who contribute to and are responsible for these activities.

The Senator's statement might exclude Common Cause, the American Conservative Union, the American Civil Liberties Union and the environmental groups which sponsor the "dirty dozen" list. No one would argue that it is the purpose of this provision to exempt these groups, nor is it intended to exempt any other particular group.

This provision is intended to apply indiscriminately and will bring under the disclosure provisions many groups, including liberal, labor, environmental, business and conservative organizations. Section 308 does not make any exceptions. While there are exemptions made to other provisions of the law—such as section 610, no exemptions are made to this provision. The Commission and the courts should not allow what is clear from the legislative language of the bill and the report of the conferees to be changed by legislative history on the floor. The language of the bill and the report must take precedence over legislative history made on the floor.

SEPARATE ELECTIONS

Under the 1971 law, considerable confusion was created by the use of the phrase "nomination for election, or election." The courts, candidates and administrators and enforcers of the law frequently made different interpretations of its meaning.

Under the new law, such confusion should be avoided. In the case of limitations on the use of a candidate's personal funds and the personal funds of his immediate family, it is clear that during the course of the entire campaign, a candidate for House may spend $25,000, a candidate for the Senate $35,000, and a candidate for President $50,000.

In the case of contribution limitations, an individual can contribute $1,000 for the primary campaign and $1,000 for the general election. If there is a primary runoff, an individual can contribute an additional $1,000. If, as may be the case in the State of Georgia, there is a runoff in the general election, an individual can contribute another $1,000. This same principle applies to multicandidate committees.

In the case of expenditure limitations, a candidate for the House may spend $70,000 for the primary campaign and $70,000 for the general election—plus fundraising and party expenditures. If the candidate is forced into a primary runoff, he can spend an additional $70,000—plus fundraising. If, as may be the case in the State of Georgia, there is a runoff in the general election, he may spend an additional $70,000—plus fundraising. Without allowance for these additional amounts, a candidate might find himself unable to spend anything in a primary or general election runoff. This would make a mockery of the election process. Instead, the candidate must be allowed to spend up to the $70,000 limit in the primary, primary runoff, the general election and the general election runoff.

In some States, the party convention is tantamount to the primary election. In some of these cases, a candidate might invest $70,000 to win the nomination at the convention. However, an opponent might receive enough of the convention votes to force a primary. If one or both of the candidates spent up to the $70,000 limits for the convention, they would be unable to spend anything for the primary. In such cases, the Commission should use its discretion to determine whether one or more candidates should be allowed to spend additional funds. These same principles should apply to Senate races and races for Representative in a State with only one Representative.

MULTICANDIDATE COMMITTEE FUNDRAISING LOOPHOLE

I believe that the conferees intended that the provision which exempts multicandidate committee fundraising costs

from being credited to the candidates' spending and contribution limits—section 102(d)—should not allow five or more candidates—especially in large metropolitan areas—to join together in setting up dummy fundraising committees which would spend large sums of money allegedly raising funds for those candidates, but actually using fundraising techniques to increase the candidates' name recognition and expenditure limitation. Rather, it is intended to cover those groups which raise money genuinely independent of each candidate's campaign and which would be put at a disadvantage if the money they spend raising funds had to be prorated and added to the actual contribution given to each candidate.

SLATECARD EXEMPTION

I believe that the purpose of the provision which exempts slatecards and printed listings of three or more candidates for public office from the definitions of contribution and expenditure is not to allow candidates or political committees to circumvent the disclosure provisions and the limitations on contributions and expenditures by waging extensive campaigns using sample ballots, slatecards, and other similar devices, but rather to allow State and local parties to educate the general public.

IN-WRITING LOOPHOLE

The conference substitute states that if a contribution is given to a political committee authorized by the candidate in writing to accept contributions for that candidate, then that contribution is treated as a contribution to the candidate. This provision is not intended to allow a candidate to receive contributions in excess of the limits simply by having the contributions go to a political committee which is not authorized in writing to accept contributions for the candidate. Paragraph (6) of subsection 608(b) states that all contributions made by a person, either directly or indirectly, on behalf of a particular candidate, including contributions which are in any way earmarked or otherwise directed through an intermediary or conduit to the candidate, shall be treated as contributions from the original donor to the candidate.

HONORARIUMS

The conference substitute limits honorariums to $1,000 per appearance and a total of $15,000 per calendar year. I concur with the discussion by Senators SCOTT and CANNON on page S18526 of the October 8, 1974, CONGRESSIONAL RECORD, except that I believe a candidate or Federal Government official cannot accept more than one $1,000 honorarium from the same organization in the same calendar year. I do not feel that it was the intent of the conferees to allow circumvention of the limitations on honorariums by accepting more than one honorarium from the same organization on the same trip or from the same organization during the same calendar year.

PRESIDENTIAL AND VICE-PRESIDENTIAL CAMPAIGN TRIPS

The President and Vice President often must fly an official plane to political events. The cost of such trips often runs into the tens of thousands of dollars and is sometimes paid for by the national committee of the President's party. Questions have arisen as to whether the cost of the trip should be counted as a contribution and/or expenditure. Certainly, it should not. Any other interpretation would be contrary to the spirit of the law. If these costs were to count as contributions, the President and Vice President would be faced with the choice of either violating the law by exceeding the $1,000 limit on contributions by individuals to a candidate or forgoing any political activity outside the Washington area.

These costs should not count against the candidate's expenditure limitation, because it would be unfair to both the President and the candidate to require the candidate to use up to $30,000 out of a $70,000 limitation just to fly with the President. The President has the same constitutional rights of free movement and free speech as other citizens. For the purposes of the limitations, the cost of such trips must be considered what it would normally cost a person to travel by commercial airline.

PREEMPTION OF STATE LAW

The conference bill specifically preempts State law. It is the intent of the conferees to preempt local laws as well. The legislative counsel informed members of the conference that to specifically mention local law in the bill would jeopardize the intent of the United States Code where reference to State law is also meant to include local law.

FULL-TIME COMMISSION

The bill provides that the Commission meets at least monthly and at the call of any Member. Fears have been expressed that the Commissioners will construe this provision to mean that, except for election time, they need only sweep into Washington once a month to meet the requirements of the job. To the contrary, the Commissioners should be continually on the job and ready to deal with the important, complex provisions of election law. The Congress intends that the Commission be genuinely full-time and that the Members meet frequently—daily or continually all year around if necessary—to oversee and supervise Federal elections.

CORPORATE CONTRIBUTIONS

Recently, several corporate consulting firms and other similar corporate entities have attempted to circumvent the prohibition on contributions by corporations by using the following device or a variation thereof. A candidate contracts with a corporate firm to have the firm perform certain services for the candidate. In turn, the contract stipulates that the candidate will reimburse the firm for its services. However, if the candidate fails to raise sufficient funds to pay for the services, the corporate firm will absorb the difference. Sometimes, by incurring the difference between the amount raised and the cost of the services provided, the corporate firm takes a large loss, even totaling in the hundreds of thousands of dollars. Since all of this exchange occurs under a contract, candidates and corporate consulting firms have even claimed that there is no debt involved and that nothing need be reported to the supervisory officer.

This is clearly a subterfuge and should be considered an illegal effort to circumvent the prohibition on corporate giving.

CONTRIBUTIONS "IN-KIND"

The definition of contribution includes the phrase "anything of value." The purpose of this phrase is to include donations that cannot be classified as deposits of money, loans, cash, and so forth, but which help influence elections. Such donations include cars, storefronts, airplanes, trucks, food and other items that are given to a candidate or committee in an effort to aid or abet his or its campaign. Clearly, all such donations and contributions must be reported and credited to a candidate's contribution and expenditure limitations. Charges have been recently made that donations of these types—contributions "in-kind"—are not and have not been reported. If the charges are true, such activities are in violation of the law.

For example, accusations have been made that individuals have been working, allegedly voluntarily, for a candidate when they are on the payroll of a political committee, group or organization which does not exclusively support the candidate. In the future, when such complaints are made, the Commission shall immediately and expeditiously make an investigation of such charges. If the Commission determines that a person is on the payroll of another organization or group, then the candidate or organization must be held responsible and liable for violation of the law and the value of his or its services must be credited to the candidate's limitation.

Similarly, if a complaint is filed that a candidate is receiving, free of charge, fleets of buses, cars or trucks or other goods and services from a committee, organization, or group that is not exclusively supporting that candidate, the Commission shall immediately and expeditiously make an investigation of such charge and make sure that any such donation is credited to the candidate's limitation and that any candidate or committee that violates this principle is held liable for his or its actions.

The Commission should also promulgate regulations requiring all contributions "in-kind" to be disclosed. Such regulations should also require that these donations be credited to the contribution and expenditure limitations of the candidate who benefits from such donations and expenses. The Commission should stipulate that any violation of these regulations will be treated as a violation of the law.

This interpretation of the phrase "contribution means anything of value" is necessary so that the letter and intent of the law will not be nullified.

Mr. Speaker, I am here urging everyone to support the conference on the bill S. 3044, the Federal Election Campaign Act Amendments of 1974 and to urge each of the Members to read the conference report and the bill itself. It is a monumental change over the way we have operated. It will change the way the Members campaign, the way they raise money, the way parties conduct

themselves. It will be the greatest change in our political lifetime.

So I repeat that it is extremely important that each Member be very attentive to all of the provisions of the law.

There is, for instance, the limitation on honorariums. There is the removal of the Hatch Act restrictions for local and State employees.

Mr. ANNUNZIO. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I am happy to yield to my friend, the gentleman from Illinois.

Mr. ANNUNZIO. I thank my friend, the gentleman from Minnesota.

The gentleman mentioned honorariums, and then stopped. Is the gentleman for the limitation on honorariums? I would like to know his position in explaining this particular provision of the conference report.

Mr. FRENZEL. Mr. Speaker, the conference report provides that Members shall not accept honorariums of more than $1,000 nor more than $15,000 in a single year. I am strongly for that, although I like the House proposal of $10,000 even better. We were negotiated up to $15,000. I think all Members should be proud of that feature of the bill.

I would like to state further, Mr. Speaker, that the idea for this originated from the gentleman from Illinois (Mr. ANNUNZIO) and that gentleman deserves the plaudits of the whole House for presenting this idea, and in getting it carried through.

Mr. ANNUNZIO. If the gentleman will yield further, I am hoping that the people in the other body, who will not be earning the $80,000 to $90,000 that they had been earning previously, will now come along to acting more wisely when the measure of a pay raise comes up.

Mr. FRENZEL. I thank the gentleman for his contributions.

Mr. BAKER. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Tennessee.

Mr. BAKER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, when the previous gentleman was speaking, the question was asked about the qualifications of a national party for the 5-percent vote in the previous election. Now my question is: If a candidate runs, as happens in New York and Ohio, as a member of the Conservative Party or the Liberal Party and the Democrat or Republican Party, who would get the 5-percent credit in the next election, so far as the votes that were cast?

Mr. FRENZEL. I support the explanation which the chairman, the gentleman from Ohio (Mr. HAYS), gave, and that is that the allocation goes to the party.

Mr. BAKER. Which party?

Mr. FRENZEL. Whichever one got the 5 percent.

Mr. BAKER. But he was running as a member of the Conservative Party, and in the Democrat Party, dually.

Mr. FRENZEL. The party is not running dually; the candidate is running dually. The allocation goes to the party that got the votes. If the Conservative Party got 5 percent in the last election, their nominee, whoever he or she is in the next election, would qualify for his proportion because of that party's success in getting 5 percent.

Mr. BAKER. But if one individual is running under the dual-party label in the Conservative Party and Democrat Party, who will get credit for his votes when you calculate the 5 percent, the Conservative Party or the Democrat Party?

Mr. FRENZEL. In my judgment under this bill he would qualify for both.

Mr. BAKER. I thank the gentleman.

Mr. HAYS. Mr. Speaker, if the gentleman will yield, I think that we ought to make it crystal clear, at least, that my interpretation is if he is running in one State as a dual candidate, this applies only to national parties in the national election, and if a candidate is running as a liberal conservative or a Democratic liberal in New York, his vote in the conservative line and liberal line would have to equal 5 percent of the total national vote or he could not qualify.

I would like to know if the gentleman does not agree with that.

The SPEAKER. The time of the gentleman has expired.

Mr. FRENZEL. Mr. Speaker, I yield myself 6 additional minutes.

I do agree with the chairman's explanation.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I thank the gentleman for yielding.

On that same question, may I say I am very concerned that we are creating a problem that will beset our two great major parties. I believe very strongly in our two-party system, but we have, as I understand it, in this bill no restriction on funding of third parties except for a 5-percent vote. There is not any minimum number of States to qualify. In other words, if "A" gets more than 5 percent of the national vote in two or three States, we would have a national party.

Mr. FRENZEL. That is correct.

Mr. DERWINSKI. So that a regional party in effect, merely by gaining 5 percent of the national vote, qualifies for funding under provisions that apply.

Mr. FRENZEL. That is correct.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Ohio.

Mr. HAYS. I thank the gentleman for yielding.

I would like to have the attention of the gentleman from Illinois. They could qualify, and if they get merely 5 percent of the vote, they would get merely 5 percent of the maximum in the next election, so they would not get the full $20 million.

Mr. FRENZEL. Correct.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. I thank the gentleman for yielding.

Under section 318 of the conference report, which is entitled "Use of Contributed Amounts for Certain Purposes," without reading all of section 318, says that:

> . . . ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office, may be contributed by him to any organization . . . or may be used for any other lawful purpose.

My question of either the gentleman from Minnesota or the gentleman from Ohio is, What is "any other lawful purpose"? If a Member of Congress happens to have $25,000 that is not spent in excess of the full limit of $70,000, are such lawful purposes entertaining constituents in the House Restaurant; maintaining a standing supply of coffee, Cokes, and snacks in the individual Member's offices; employing extra staff, such as a personal page; or paying for a life membership in the National Democratic Club or the neighboring Capitol Hill Club?

Mr. FRENZEL. I think some of those would qualify and some would not. The reason we put "lawful purposes" in there is because there was some existing law, and some IRS regulations which do allow some expenses. Typical would be a contribution back to a political party, or a contribution to another candidate, or a contribution to charity. We did intend that the money could be used for expenses for running one's office, and I expect that that qualification might be amplified further by rule, as we could define particular kinds of office expenses that we had in mind.

Mr. STEIGER of Wisconsin. If the gentleman will yield further, could the gentleman from Ohio indicate his own view?

Mr. FRENZEL. I yield to the gentleman from Ohio.

Mr. HAYS. I generally tend to agree with what the gentleman said, that one could use it for necessary office expenses: A newsletter, or extra stamps, if he needs them, or an automobile, the leasing of a car for his district office. If some Members do that, it might be, in my judgment, a legitimate expense for official business. Those are the kinds of things we had in mind, things that Members in general do—buying tickets to charitable fundraisers, which takes a lot of money in the off-year from my fund. Those are things that we considered legitimate expenses.

Mr. STEIGER of Wisconsin. I thank both gentlemen for their explanations.

Mr. HAYS. If the gentleman will yield further, let me say to the gentleman from Wisconsin whatever those expenses are, one will ultimately have to disclose them. In other words, if one does not spend over $1,000 a quarter in the off year, he will not disclose it in the quarter, but at the end of the year he will have to, so that it will be the subject of public scrutiny in any case.

Mr. FRENZEL. Mr. Speaker, I would urge all Members of this House to vote for what I think is a positive election reform bill. I believe that passage of this legislation will end the American people's long wait for a positive response to the events of the past few years. No other practical, concrete action can do more to restore public confidence than the passing of a meaningful campaign reform bill. This is a meaningful cam-

paign reform bill. By giving overwhelming bipartisan support to this landmark legislation, we can send a clear message to the American people that Congress is concerned about and responsive to the need to restore public confidence in our democratic system of government.

Mr. Speaker, I do not see the minority leader on the floor. He indicated his willingness to speak in support of the conference report, although certainly his enthusiasm for it would be less than mine.

I would like, before yielding, to say a word about the chairman of the House Committee on Administration. As many Members know we have had strongly differing opinions about many of the features of this bill. I cannot let the occasion pass without giving him great, overwhelming credit for the production of this conference report. It is very seldom in the course of the passage of a bill that one man dominates or controls, and without whom there would be no bill. But such was the case with the gentleman from Ohio (Mr. HAYS). His defense of the House position in the conference was outstanding, and his determination and his patience to move this bill along have been equally outstanding. I congratulate him for his work on this bill and in this field. His performance occasionally has been maligned in certain quarters. I would like to say as one who has opposed him on many, if not most, of the substantive issues that I have never doubted his motivation nor his desire. He has proven to us today what they were and how important they were. So I do congratulate the gentleman for his outstanding achievement.

Mr. SANDMAN. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman.

Mr. SANDMAN. Mr. Speaker, I intend to support this bill because it has some improvements over the system we have. One thing disturbs me about this, and this is again only for my own information, but has anybody bothered to check into the constitutionality of what we are doing? Does the gentleman believe we are meeting the requirements of the 14th amendment when we set particular standards on what a candidate has to raise before he qualifies to get so much money, because we are not giving all candidates the same amount of money?

Mr. FRENZEL. Yes; the gentleman makes a valid point.

There are many members of the conference committee, including, I believe, the chairman, who believe that this feature may be unconstitutional.

I believe within this conference report there are at least 100 items questionable from a constitutional standpoint. Any time we pass legislation in this field we are causing constitutional doubts to be raised. I have many myself. I think the gentleman has pointed out a good one. We have done the best we could to bring out a bill which we hope may pass the constitutional test. But, we do not doubt that some questions will be raised quickly.

I do call the attention of the gentleman to the fact that any individual under this bill has a direct method to raise these questions and to have those considered as quickly as possible by the Supreme Court.

Mr. SANDMAN. Is there any decision that supports what we are doing?

Mr. FRENZEL. I know of no decision that supports the raising of this amount of money.

I yield to the gentleman from Ohio for his response.

Mr. HAYS. Mr. Speaker, I am not a lawyer but I rely on the best counsel we can get. Counsel says since this money is being given out of the Federal Treasury that the Congress can put any conditions or requirements on the person that Congress wants to before the person receives that gift from the Federal Treasury.

I do not know whether it is constitutional or not.

Let me say one more thing to the gentleman and that is all I have to say on the subject. I have been here 26 years and I must have heard the question of constitutionality raised on at least 2,000 bills, and I suppose if I had voted against a bill every time somebody had a question of constitutionality on it, I would have had an almost complete voting record of "No." I think we have to let the courts decide.

Mr. SANDMAN. I do intend to vote for the legislation. I think a good job has been done in producing it and it is a good improvement over what we have. However I have serious reservations as to whether what we are doing meets the provisions of the 14th amendment.

Mr. FRENZEL. I thank the gentleman from New Jersey.

Mr. Speaker, I yield to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, I thank my good friend, the gentleman from Minnesota, for yielding.

Mr. Speaker, I intend to support the conference report. I congratulate the chairman and the gentleman from Minnesota and the other conferees on what I think is a really Herculean task well performed.

I do not want to leave the impression that I am completely satisfied with the bill. I still think it is a bill to preserve the Democratic majority in Congress; but I do think my good friend, the gentleman from Ohio (Mr. HAYS) did as good a job as anybody could have done in wearing the hat of the chairman of the House Administration Committee, instead of the hat of the chairman of the Democratic Campaign Committee; but I do think in the future it is going to be necessary to look at the provisions of this bill which have to do with a limitation on total spending for candidates for the House and for the Senate.

I think everybody knows it is usually the challenger who has to spend more in his campaign to be successful than an incumbent does. Since there are more Democratic incumbents than there are Republican incumbents, it is obvious that the spending limitation would work to the benefit of the Democratic majority of Congress. I can understand why that is the situation; but nevertheless, the bill is as good a bill as we can get. I suggest we adopt the conference report and then as time goes by, with legislative oversight, do whatever is necessary to make it more just.

(Mr. FRENZEL asked and was given permission to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, as this bill passed the House, I believe there was a limitation of $5,000 on contributions by the National Republican and Democratic Committees. Is that provision changed in the conference report?

Mr. FRENZEL. They can still contribute $5,000, but they have an extra ability to spend up to $10,000.

Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana (Mr. TREEN).

(Mr. TREEN asked and was given permission to revise and extend his remarks.)

Mr. TREEN. Mr. Speaker, my colleagues of the House, I rise in opposition to adoption of the conference report on S. 3044. My opposition is based primarily on one significant feature of the legislation.

First, however, I want to make it clear that my criticism is not intended to suggest that the House conferees did not do a good job. Indeed, I think they did an outstanding job in having most of the important provisions in the House bill accepted by the conferees from the other body. I commend the chairman of our committee for his leadership and for standing fast against such items as public financing of congressional campaigns.

Nor do I intend to suggest, by my opposition to the bill, that the proponents of this legislation are not motivated by a sincere desire to end campaign abuse. I concur wholeheartedly with the general purpose of the bill and I find most of its provisions quite acceptable.

But I feel strongly, Mr. Speaker, that the bill contains a defect which is so substantial that it outweighs the good features of the bill. I refer to the aggregate spending limit for a congressional campaign, and particularly the limit for campaigns for House seats which the conferees have set at $70,000.

I opposed this bill in the House because of the limitation, which we established at $60,000, and I oppose final passage for the same reason.

We have heard it said in this Chamber that the spending limit for campaigns for the House should bear relationship to the salary of House Members of $42,500 per year; we have heard it argued that it is unconscionable to spend $100,000 or $150,000 in a campaign for a job that pays only $42,500.

To me these arguments are patently illogical and falacious. It is the importance of the job from the point of view of the constituents that should be the fundamental consideration. The power and responsibility that each of us has—the great magnitude of that power over the well-being of every citizen and, indeed, the very security of this Nation and the free world—suggest to me that the election of a single Member of this House cannot be valued at $70,000. Especially is this so since election to this House usual-

ly results in a Member serving several terms and not just one term.

Certainly we do not relate the amount of money to be spent in the Presidential campaign to the salary of the President. We are providing in this legislation $20 million to finance Presidential campaigns, and yet the salary of the President is $200,000.

My quarrel is not with the individual limitation of $1,000 per person and $5,000 per organization to any single campaign. In my personal opinion, few if any Members of this body are influenced in their decisions by the financial support they receive. But I recognize that the public may feel that some are so affected, and indeed, it may have some influence, in some instances, on some Members. But suppose a candidate for Congress was attractive enough, and had good enough ideas, to be able to raise $100 per person from a thousand people. This would give him a campaign fund of $100,000. His maximum contribution would be one-tenth of that which is allowed under this bill. Yet, he would be in violation because his fund would exceed by $30,000 the limitation in this bill.

I have run as a challenger several times and I know it is possible to raise $100,000 or more without receiving large contributions from any single source.

Mr. Speaker, my concern is not for incumbents but for challengers. I feel that if a challenger can raise $100,000, or $150,000, especially if he can do so without receiving large sums from any single source, he should be able to do so. I know that in many districts the amount spent is considerably less than $70,000. But in other districts this is not so. We who are incumbents have all of the advantages save one. That exception being that we have a record which always affords a basis for attack, because a Member cannot possibly vote on all the issues and please everyone.

But the incumbent has all the other advantages. Because he is in office he automatically receives coverage by the news media. If he wants to, he can be in the news regularly during his term through the introduction of bills, testifying before committees, and just by visiting his district—as we are financed to do 36 times in each Congress.

We can send out newsletters postage free every month if we desire, right up to 1 month before the election. The postage value alone of sending out a newsletter once every 3 months approximates the $70,000 which we limit a challenger to spending for his campaign.

I am not suggesting that travel to the district or the franking privilege should be eliminated. I think it is important to stay in communication with your constituents and I believe that these are legitimate ways.

What I am saying is this: let's make the system fair for the challenger. In many districts the news media does not give much play to a challenger. He must depend upon newspaper advertising, radio, and in many districts, television. All of this can be very expensive for a fairly modest advertising campaign. In order to be able to discuss the incumbent's record on a scope sufficient to really get through to a sizable portion of the constituency will require, in most instances, sums in excess of $70,000.

Mr. Speaker, in my sincere judgment the aggregate spending limit of $70,000 per House campaign is an incumbent protection provision, although it is certainly not going to guarantee continuity for all Members.

I recognize that there are abuses in campaigns; these will continue regardless of what we do here today. But I believe that we have over-reacted in this instance, and I predict that when the effect of this becomes fully known to the public, we will be back here to amend at least this particular provision of the bill before us.

Mr. HAYS. Mr. Speaker, I yield myself 1 minute.

I would hope I can get the attention of the distinguished minority leader. I thank the gentleman for what he said.

I just want to say, since the gentleman alluded to my two hats, to say it has become unnecessary for me to put my hat on as chairman of the Democratic Campaign Committee up to now, because the other party has been doing all of the work for us.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the distinguished minority leader.

Mr. RHODES. I think what the gentleman says is an appropriate remark and I shall exert myself to make sure that it does not happen in the future; but I suggest to the gentleman that he keep out his hat. He may need it.

Mr. HAYS. Mr. Speaker, I yield seven minutes to the distinguished gentleman from Pennsylvania (Mr. DENT) who is chairman of the Election Subcommittee, and who did a lot of hard work in holding the hearings on the bill in the beginning.

(Mr. DENT asked and was given permission to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, will the gentleman yield?

Mr. DENT. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Speaker, I would like to join in commending and congratulating the Chairman of the committee and the conferees for an outstanding piece of work. I know how difficult this type of legislation is, and I think this is a far better bill than anyone would have believed possible at the beginning of the year.

Mr. DENT. I thank the gentleman very kindly. There was a lot of work done in the earlier days on the subcommittee. We held hearings, and then we came to a decision in the subcommittee that inasmuch as the full committee would have a broader view of what would be the proper view to come to the House with, we moved it up unanimously to the full committee, so that the full committee could have a broader view of the whole matter.

Mr. GUNTER. Mr. Speaker, will the gentleman yield?

Mr. DENT. I yield to the gentleman from Florida.

Mr. GUNTER. Mr. Speaker, I thank the gentleman for yelding.

I too would like to join those many colleagues who offered congratulations for the able effort and work of the gentleman from Pennsylvania, the chairman of the House Administration Committee, and all others who brought this conference report to us.

I support that report.

(Mr. GUNTER asked and was given permission to revise and extend his remarks.)

Mr. DENT. Mr. Speaker, I wish the Members would pay some attention to what I am gong to say. I am going to talk to the Members now as Members of the Congress of the United States, not as candidates or politicians, but men and woman representing the people in all the various districts in the Nation.

Campaign reform sometimes gets into a situation where interests take it upon themselves to write what they think is the perfect law. By the manner in which they behave and treat themselves and treat the Members of this Congress they would lead the American people to believe that we Members either do not have the necessary intelligence nor the honesty and good intentions to write a law which allows, as the Constitution prescribes, every person the right to run for public office.

No single individual in my lifetime in politics has had to take more heat, more unfair criticism, more outright lies and distortions of his actions in full paid advertisements and thousands of series of pamphlets and circulars sent out to the people of the United States and to the Congress, than the gentleman from Ohio, Mr. WAYNE HAYS.

I want to say to all the Members that the trouble with it all is that this so-called reform group has only one idea which would ever really satisfy them as to what reform would be. That would be to defeat every Member of this Congress who does not call up on the telephone and give them all the little inside things that might happen in the committee, so that they may malign and try to destroy members of committees who have to say things in the committee room which do not always mean that is where they stand ultimately.

We have to probe, and we have to fish, and we have to question, but in this particular case, because they have one issue that they have before the public, they have to try to have that particular issue determined to the letter; to the crossed "T" and to the dotted "I" exactly the way they want it.

I say to this House today that the cause of Watergate rested in the 1972 act, which was a substitute for the work of this committee, where we had worked for over 3½ years to come up with what we thought was a reasonable approach to reform.

The only thing they had in mind was spending money during the whole campaign, spending money.

Let me show the Members something here. One campaign in 1972 cost $420,000. Another one cost $472,000. The average of all of the spending in the whole country was $47,000, and yet the incum-

bents spending between 75 and 100,000 dollars or over were only 5 or 10 percent, and 21 percent of the challengers spent over $75,000 and up to an amount of $321,000 for one candidate, a winner; $316,000, another candidate, a loser.

Throughout this whole issue, if one takes all of those who spent over the amount that is allowed in this act, one would find, if we take them off of the top, that the average spending in this Congress of the men who were elected to office was less than $28,000 per member. I say to the Members that the advantage that the gentleman cited here a minute ago, saying we ought to give a nonincumbent more advantage to spend more money, is not what needs to be done. Spend less.

I am going to lay out to the Members what has to be done before the people will ever have confidence in this Congress, because they do not know all of the inside workings that have to be put in reform. All they know is how much money is spent.

I have here a candidate who received $163,324. He spent $163,324. Here is one who received $38,174. He spent $38,174. Is there any doubt in the Members' minds that if this one would have received $500,000 he would not have spent $500,000? And the one who received $38,000, if he would have received $60,000 is there any question that he would not have spent it?

One cannot reasonably spend more than $50,000 in a campaign without doing things that are wasteful. I repeat what I have said earlier. You cannot do it. I say to the Members that I have run for office as many times as any Member in this House, and I know something about what it takes to win elections, I believe. Some day we will receive enough salary so that we will be permitted to spend the limit and have a tax deduction for it, and we will also allow our opponents, challengers, to spend that amount of money out of their own pocket and have a tax deduction. If they do not have the money, they can solicit funds, and those who contribute to it can take it out of their tax returns. This way one cannot say the incumbent has the advantage, because if he does not waste this money, he will have a salary closer to what he needs to live on. If we do not do that, the people of America will never believe you can spend $350,000 in a primary election and $420,000 in a general election.

Mr. GUNTER. Mr. Speaker, I believe the conference report before the House on the Federal Election Campaign Act Amendments represents a solid foundation on which further needed reforms of campaign spending practices can and must be constructed in the future.

I regret that the House, and as a result of its insistence, the conference committee of the two Houses, was unwilling at this time to extend the principle of public financing provided for in presidential primary and general elections to elections for the U.S. Senate and House of Representatives as well.

When this legislation was initially before the House, I strongly supported and voted for such an extension of the public financing concept to include House and Senate races, because I believed and still believe the basic principle is valid in the case of all Federal elections, not simply those involving Presidential primary and general election contests.

The basic principle, reduced to simple terms, is that special interests ought not be allowed to pay for the election of any Federal officeholder, anymore than we would, for example, let Standard Oil or any other special interests pay the salaries of our Senators or Representatives, once in office. Once elected, we are mandated to represent all the people, and all of our constituents, of whatever party, and whether they voted for or against us as individual candidates. In recognition of this principle, the salaries of our elected Federal officials are paid for by all the people. It is well past the time, in light of the history of abuse and corruption resulting from the current system of privately financing elections, to eliminate special interest funding of House and Senate elections as well. The same principle of public funding—commensurate with the obligation to serve all the people that is rightfully expected—ought to apply.

I favor the extension of this principle, also, because I am firmly convinced that the millions in voluntary taxpayer check-off funds to be allocated for public financing must be weighed against the billions of dollars a year it now costs average taxpayers to finance special interest tax breaks voted by elected representatives under the present system in which those same special interests finance the campaigns of these same elected representatives.

A return to genuine integrity in the political process, and to genuine independence by the House and Senate in behalf of the public interest, requires as a prerequisite that we extend at the earliest possible time the concept of public financing to House and Senate elections.

With those reservations, Mr. Speaker, I am yet able to join my colleagues in praising this legislation as an historic and genuine step forward toward accomplishing meaningful reform. For the first time, the Congress today applies the concept of public financing to Presidential primary and general elections. Many predicted many months ago that this basic reform would prove to be beyond realization. I am gratified that in this legislation the Congress has met the test and acted, in my judgment, to accomplish a real reform of large proportion and far-reaching significance.

There are some other areas contained in the final conference report where we have perhaps not done all that we might have done and where the reform has not been as far reaching.

In one notable instance, the spending limitation on U.S. House races is still so low as to represent, I think, an unwarranted and unfair advantage to incumbents in confronting their challengers. At the same time, I am pleased that the conference did raise the limit from the $60,000 limit in each of the primary and general elections for the House, which was set in the House bill, to a $70,000 limit.

At the same time, the action of the conference in preserving an independent enforcement mechanism to administer the law, in the form of a Federal Elections Commission, represents in my view another important step forward and constitutes another example of genuine and meaningful reform.

On balance, I believe many of the myriad other provisions contained in this complex and extensive piece of legislation may also be fairly characterized as representing true and genuine reform.

I am therefore pleased to add my support on final passage of this historic measure and to urge my colleagues to join in voting overwhelmingly to adopt the conference report.

Mr. FRENZEL. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. ANDERSON).

(Mr. ANDERSON of Illinois asked and was given permission to revise and extend his remarks.)

Mr. ANDERSON of Illinois. Mr. Speaker, I thank the gentleman from Minnesota for yielding. I would like to say that, even as the gentleman did a few moments ago when he addressed the House from the well, even though we have certain substantive differences with respect to this very important subject of campaign reform, I can certainly commend him and others who have worked hard throughout the conference to bring us a bill today. I think that if this bill had come back to us with nothing more than the independent commission that is now referred to, I believe, under the language of the bill, as the Federal Election Commission, if it had come back to us with nothing more than that feature, it would have represented some very sound progress.

At the same time, I hope that we will not conclude from what has been said that the task of reforming our present methods of financing political campaigns is completed. I believe very deeply that some matching provision should have been included to encourage the raising of small contributions in connection with congressional and senatorial campaigns.

I must express my own disappointment that that feature was not contained in the House bill, or, of course, in the final conference report.

I think it is an idea whose day will come. Perhaps as a result of the experience which this bill will give us with the matching principle as it will now be applied to the raising of campaign funds in Presidential primaries, others will come to see the virtue of extending this incentive to the raising of small contributions for congressional campaigns as well.

Nevertheless, I think we can take some comfort and some very considerable comfort from the fact that this Congress will not conclude its deliberations without marking some progress in the very important field of Federal campaign reform. Therefore, I shall support adoption of the conference report.

Mr. HAYS. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. MACDONALD).

Mr. MACDONALD. Mr. Speaker, I rise

to support the bill sent to the conference committee which, I know, worked so hard and diligently on this bill and came out with what certainly is a good bill, covering the waterfront on campaign spending as it were, and for having done the good job that it has done.

I would especially like to thank the gentleman from Ohio (Mr. HAYS) for his fortitude with respect to the House version of this campaign spending bill, because it was just about 2 years ago that he and I sat down, along with the rest of the conferees, with some of the same obdurate Members of the other body. I know what a great strain it must have been on the gentleman from Ohio (Mr. HAYS) to have been able to resist some of the matters that were thrown at him by the other body.

I once again congratulate the subcommittee and its chairman.

Mr. BURLISON of Missouri. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield 1 minute to the gentleman from Missouri (Mr. BURLISON).

Mr. BURLISON of Missouri. I appreciate the chairman's yielding.

I want to join my colleagues in commending the committee for the conference report.

I would like to ask the chairman of the full committee if the conference report has encompassed within it any jurisdiction whatsoever over the correspondence of Members with their constituents, also known as the franking privilege.

Mr. HAYS. If the gentleman will yield, there is nothing in this bill or in the conference report which would give this commission any authority to fiddle around with the frank in any way, shape, or form.

As an added safeguard, any rules or regulations they may make, they have to submit to the new committee of Congress, and either House can veto any regulation they make.

They have no authority, no power whatever to do anything about the frank, I would say to the gentleman.

Mr. BURLISON of Missouri. I thank the gentleman.

Mr. FRENZEL. Mr. Speaker, I yield myself 2 minutes.

I would like to ask a question of the distinguished chairman of the committee.

I had a number of queries from this side of the aisle with respect to the status of their newsletters.

In the Post Office bill which we passed this year we made the spending of money for newsletters a legitimate expense out of the campaign funds. This bill does not change that law. In my opinion, if a newsletter is frankable and it is paid for out of the campaign fund, the expense for it is not to be counted as part of the spending limit during any campaign. In the gentleman's opinion; is that correct?

Mr. HAYS. If the gentleman will yield, I concur with that. If it is frankable, it is not a political expense.

Mr. FRENZEL. I would like to ask the gentleman one other question.

The committee report is silent on something we talked about a great deal, and that is the conferees' great urge to simplify the forms and the procedures. I would ask the chairman if it is not the intention of the conferees to urge the Federal Elections Commission, when appointed, to do everything in its power to consolidate and simplify the forms and procedures involved in this law.

Mr. HAYS. It certainly is. And I will say to the gentleman that if they send an unduly complicated form up here, we will have a quick committee meeting and ask the House to send it back to them. I think the House would do that.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the distinguished gentleman from California, whose work has been most helpful in this field, even though he does not serve on the committee.

Mr. PHILLIP BURTON. Mr. Speaker, I thank the gentleman for yielding.

I would like to pursue in one particular the line of inquiry of the gentleman from Minnesota, and I would like to pose this question to the gentleman and to the chairman of the committee. That line of inquiry is simply this:

I would hope in the simplifying and consolidating of the reports that it would be our expectation that the Commission would try to further consolidate that report which the Members must now sign as a separate report and try to find some appropriate way to permit the filing of a single report.

The SPEAKER. All time of the gentleman from Minnesota (Mr. FRENZEL) has expired.

Mr. HAYS. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. THOMPSON), a member of the committee.

(Mr. THOMPSON of New Jersey asked and was given permission to revise and extend his remarks.)

Mr. THOMPSON of New Jersey. Mr. Speaker, I would like to join with all of those Members who have commended our committee chairman, the gentleman from Ohio (Mr. HAYS), for the tremendous amount of work he put in on this measure and for his extreme fairness to each and every member of the committee.

I would expect it is true that during the markup period, as far as the members of the committee are concerned, the average number of amendments offered by each one of us was at least 12 to 14. We were allowed free and open discussion and debate, and we arrived at the point of reporting of the bill in a most democratic fashion.

We had the same situation prevailing in the conference.

Mr. Speaker, I might say that only a Member of the stature of the gentleman from Ohio, WAYNE HAYS, would have endured the absolutely unnecessary abuse heaped upon him by certain groups and organizations, as well as individuals and newspapers throughout the United States, including magazines and journals of opinion. It is a wonder the gentleman just did not say, "I'll sit down and let the whole thing go." But he did not.

The result has been that we have here a conference report which, although it certainly is not perfect, is indeed a splendid and a fair one.

The gentleman from Indiana (Mr. BRADEMAS) and I worked for higher spending limits for House Members, but it was made very clear during the floor debate that there would not be agreement on that. So we end up with a figure which I consider to be reasonable—$70,000, plus the 20 percent allowed for the costs of raising money. It is, in my judgment, an altogether splendid effort.

Mr. Speaker, I would like also to commend the Members on the minority side for their cooperation during the markup, during the debate, and during the conference. We had virtually innumerable disagreements, and yet we all walked out of there, all of us, signing the report.

Mr. HAYS. Mr. Speaker, I yield myself the remainder of my time.

Mr. Speaker, I want to thank all the members of my committee. If I started naming members, I would have to name all 25 of them, besides myself, and commend them for their cooperation and patience.

As has been said, there were many deep divisions and disagreements and differences of opinion. We worked them all out in a friendly manner. I think my friend, the gentleman from Minnesota (Mr. FRENZEL) had more amendments, perhaps, than anybody else, and sometimes he tried my patience a little, and sometimes I needled him a little, but he always took it with good humor, and he never failed to come up with a smile, and I appreciate that.

Mr. Speaker, I think we came out with a product, considering the diversity of opinion, that will do the job so that the Members and the aspirants to office can live with it. I do not consider this to be an incumbent's bill at all.

I have said this before: that if you are doing your job as an incumbent, it is pretty hard to beat you, but if you are not doing your job, you can be beaten with a very little bit of money.

I think that all of the Members can be pleased with the work product from the committee, from the amending process in the House, and from the diversity of opinion in the conference. It is not an easy bill, and it has not been, because every Member of the Congress is an expert on this kind of legislation, and every one has their own ideas, and every district is a little bit different.

But I believe this is a bill that will stop the suspicions of the people, because it will stop the actions that caused these suspicions. I think it is a bill that the people can live with.

Mr. Speaker, as a final reminder, I would like to say that all the corruption and allegations of corruption that we have heard about in the past 2 years were caused because there was not a limitation, and people could run all over the country, gathering up big bags of money. Also, as I have said before, if we had had such a limitation 2 years ago, Watergate would never have happened.

Mr. WYMAN. Mr. Speaker, I support the conference report on election campaign reform except for its provision for public financing. I have long maintained the likelihood that such provisions are unconstitutional diversions of taxpayers from necessary and proper expenses of

Government and that the High Court will so hold when the issue comes before it.

Nevertheless, there are excellent provisions on other necessary reforms in the currently pending conference report, especially in respect to limitations on individual contributions, expenditure ceilings and overall limitations on expenditures by the various political parties. Because of these and the independent supervisory enforcement board, I shall vote for the conference report despite my continued opposition and misgivings concerning public financing.

Enforcement is the single most important aspect of controlling the raising and expenditures of campaign funds. Candidates for Federal office are required in this law to establish a central campaign committee and to treat bank loans as contributions. Disclosure is required quarterly, with a mandatory report due 10 days before an election and a wrap-up report 30 days afterward. Included in the oversight powers of the bipartisan, full-time supervisory board are civil enforcement authority and standing to invoke the injunctive process. Criminal violations would continue to be referred to the Justice Department for prosecution which is as it should be.

This bill is a meaningful response to the pubuic need to know how much, from whom and for what purposes a candidate is receiving and using contributions to his campaign. The full disclosure provisions through a single central committee and the continuing oversight function of the independent board will reduce to a minimum the opportunity for undisclosed or unreported contributions. This assures that campaign financing facts will be available to the voters before they go to the polls on election day—and they are the ultimate judge in the election process.

Mr. YOUNG of Georgia. Mr. Speaker, I join with my colleagues today in hailing this landmark piece of legislation, the Federal Election Campaign Act of 1974.

The distinguished chairman, Mr. HAYS, and the members of the Committee on House Administration deserve much praise for their diligent work over so many months in producing this bill and this conference report. A special thanks is due from all of us who bear the label "Politician." It would have been a travesty for us to go home for another election without taking with us a bill to remedy some of the evils of the political system that have been uncovered during the past 2 years.

I would also like to pay tribute to those outside the Congress who contributed so much to the monumental task of educating the public and the Congress to this issue. I particularly cite the Center for Public Financing of Elections, headed by Susan King and Neal Gregory. It has been my privilege—along with my colleague from Pennsylvania (Mr. BIESTER)—to sit on the board of advisers of this bipartisan lobbying organization which was established in June 1973 to press for fundamental change in the methods of financing campaigns for the Presidency and the Congress.

The Center for Public Financing of Elections was instrumental in bringing together a broad-based coalition of some 30 organizations from labor, business, the churches, citizen-action and civil rights organizations to work for this common goal. Providing professional assistance in research and analysis and information to the press and the Congress, this coalition convinced the House and Senate that the 1976 Presidential election should be financed by public funds rather than private interests. The legislation also includes a new six-member Federal Election Commission and strict campaign contribution and spending limitations. Reporting and disclosure requirements have been strengthened and penalties for violations have been increased.

The reform coalition, under the leadership of the center, worked hard for extending the principle of public financing of congressional campaigns as well, but this concept has been rejected for the moment. It is in the arena of Presidential politics that campaign financing abuses have been most obvious and in which the public has perceived the greatest need for change, and the Congress has responded.

But, as the Center for Public Financing of Elections says:

The next Congress must continue the fight to end the unholy alliance between money and politics. Public financing of all political campaigns is an idea whose time will come.

Mr. Speaker, at this point in the RECORD I would like to insert a summary of the legislation, prepared by the Center for Public Financing of Elections, and a list of those members of the reform coalition who contributed so much to this legislation:

THE CAMPAIGN REFORM BILL—A SUMMARY (FEDERAL ELECTIONS CAMPAIGN ACT AMENDMENTS OF 1974)

CONTRIBUTION LIMITS

Limits on individual contributions

$1,000 limit on amount an individual may contribute to any candidate for U.S. House, Senate, or President in primary campaign (Presidential primaries treated as single election).

$1,000 limit on contribution to any federal candidate in general election (run-offs and special elections treated as separate elections; separate $1,000 limit applies).

No individual may contribute more than $25,000 for all federal campaigns for entire campaign period (includes contributions to party organizations supporting federal candidates).

No more than $1,000 in independent expenditures on behalf of any one candidate for federal office per entire campaign is permitted.

Certain "in-kind" contributions (up to $500 per candidate per election) are exempt from contribution limits.

Limits on Organization Contributions (to qualify as an organization, must be registered with Elections Commission for six months, receive contributions from more than 50 persons and, except for state party organizations, make contributions to at least five candidates).

$5,000 limit on amount an organization may contribute to any candidate for U.S. House, Senate, or President in primary election campaign (Presidential primaries treated as single election.

$5,000 limit on contributions to any federal candidate in general election (run-offs and special elections treated as separate elections; separate $5,000 limit applies).

No more than $1,000 in independent expenditures on behalf of any one federal candidate during entire campaign period.

No limit on aggregate amount organizations may contribute in campaign period, nor on amount organizations may contribute to party organizations supporting federal candidates.

Certain "in-kind" contributions (up to $500 per candidate per election) are exempt from contribution limits.

Limits on candidate contributions to own campaign

President: $50,000 for entire campaign.
Senate: $35,000 for entire campaign.
House: $25,000 for entire campaign.

Limits on party contribution

National and state party organizations limited to $5,000 on actual contributions to federal candidates, but may make limited expenditures on behalf of its candidate in general election [see spending limits].

Spending Limits (existing limits on media spending repealed. Total candidate spending limit includes basic limit, plus 20 percent additional permitted for fund-raising, plus limited spending by parties in general election.)

Party Conventions: $2 million for national nominating convention.

Presidential candidates

Primary: $10 million basic limit; in addition, candidate allowed to spend 20 percent above limit for fund-raising—total, $12 million. In any presidential primary, candidate may spend no more than twice what a Senate candidate in that state is allowed to spend. [See chart for Senate limits]

General: $20 million basic. (Presidential candidate not opting to receive public financing would be allowed to spend an additional 20 percent for fund-raising.)

Party: National party may spend 2¢ times Voting Age Population, or approximately $2.9 million, on behalf of its Presidential nominee in general election.

Senate Candidates

Primary: 8¢ x VAP of state or $100,000, whichever is higher. Additional 20 percent of basic limit allowed for fund-raising. [See attached chart for state by state amounts.]

General: 12¢ x VAP of state or $150,000, whichever is higher. Additional 20 percent of basic limit allowed for fund-raising.

Party: In general election, 2¢ x VAP or $20,000, whichever is higher, by national party, and 2¢ x VAP or $20,000 by state party. [See attached chart for state totals.]

House candidates

Primary: $70,000. Additional 20 percent of limit allowed for fund-raising. (Total—$84,000.) House candidates running at large permitted to spend same amount as Senate candidate in that state.

General: $70,000. Additional 20 percent allowed for fund-raising. (Total—$84,000.) House candidates running at large permitted to spend same as Senate candidate in that state.

Party: In general election, $10,000 by national party and $10,000 by state party on behalf of House candidates.

PRESIDENTIAL PUBLIC FINANCING (FROM DOLLAR CHECK-OFF FUND)

General election

$20 million in public funds; acceptance optional. Major party nominee automatically qualifies for full funding; minor party and independent candidates eligible to receive proportion of full funding based on past or current votes received. If candidate receives full funding, no private contributions permitted.

Conventions

$2 million optional. Major parties automatically qualify. Minor parties eligible for

lesser amount based on proportion of votes received in past or current election.

Primaries

Federal matching of private contributions up to $250, once candidate has qualified by raising $100,000 ($5,000 in each of 20 states) in matchable contributions. Only first $250 of any private contribution may be matched. The candidates of any one party together may receive no more than 45 percent of total amount available in the Fund; no single candidate may receive more than 25 percent of total available. Only private gifts raised after January 1975 qualify for matching for the 1976 election; no federal payments will be made before January 1976.

ENFORCEMENT

Creates 6-member Federal Elections Commission responsible for administering election law and public financing program, and vested with primary civil enforcement.

President, Speaker of House, and President pro-tem of Senate each appoint two members (of different Parties), all subject to confirmation by both Houses of Congress. (Such members may not be officials or employees of any branch of government at time of appointment.)

Secretary of Senate and Clerk of House to serve as ex-officio, non-voting members of Commission, and their offices to serve as custodian of reports for candidates for Senate and House.

Commissioners to serve full-time, six-year, staggered terms. Rotating one-year chairmanship.

Commission to receive campaign reports; make rules and regulations (subject to review by Congress within 30 days); maintain cumulative index of reports filed and not fixed; make special and regular reports to Congress and President; serve as election information clearinghouse.

Commission has power to render advisory opinions; conduct audits and investigations; subpoena witnesses and information; initiate civil proceedings for relief.

Criminal violations to be referred to Justice Department for prosecution; provision for advancing cases under the Act on the court docket, and judicial review.

REPORTING AND DISCLOSURE

Candidate required to establish one central campaign committee; all contributions and expenditures on behalf of candidate must be reported through this committee. Also requires designation of specific bank depositories.

Full reports of contributions and expenditures to be filed with Commission 10 days before and 30 days after every election, and within 10 days of close of each quarter unless committee has received or expended less than $1,000 in that quarter. Year-end report due in non-election years.

Contributions of $1,000 or more received within last 15 days before election must be reported to Commission with 48 hours.

Cash contributions over $100 prohibited.

Contributions from foreign national prohibited.

Contributions in name of another prohibited.

Loans treated as contributions; must have co-signer or guarantor for each $1,000 of outstanding obligation.

Requires that any organization which spends any money or commits any act for the purpose of influencing any election (such as the publication of voting records) must report as a political committee. (This would require reporting by such lobbying organizations as Common Cause, Environmental Action, ACA, etc., and perhaps many other traditionally non-electoral organizations).

Every person who spends or contributes or contributes over $100, other than to or through a candidate or political committee, is required to report.

OTHER PROVISIONS

No elected or appointed official or employee of government may accept more than $1,000 in honorarium for speech or article, or $15,000 in aggregate per year.

Removes Hatch Act restrictions on voluntary activities by state and local employees in federal campaigns, if not otherwise prohibited by state law.

Corporations and labor unions are government contractors are permitted to maintain separate, segregated voluntary political funds in accordance with 18 USC 610. (Formerly all contributions by government contractors were prohibited.)

Permits use of excess campaign funds to defray expenses of holding federal office or for other lawful purposes.

Prohibits solicitation of funds by franked mail.

Pre-empts state election laws for federal candidates. This section takes effect upon enactment.

PENALTIES

Increases existing fines to maximum of $50,000.

Candidate for federal offices who fails to file reports may be prohibited from running again for term of that office plus one year.

Effective Date: January 1, 1975 (except for immediate pre-emption of state laws).

PUBLIC FINANCING OF THE PRESIDENTIAL CAMPAIGN

Public financing of the 1976 Presidential election is provided under the new Campaign Reform Bill. Here is the way it works:

GENERAL ELECTION

Each candidate for President is limited to campaign expenditures of $20 million.

Nominees of the major parties are eligible to receive the full $20 million in public funds. Public financing is not mandatory; the candidate may solicit all donations privately. If the candidate "goes private," however, individual contributions are limited to $1,000; organization contributions, $5,000.

Candidates of minor parties (those receiving at least five percent of the vote in the preceding election) are eligible for partial funding based on the percentage of the vote received. A third party receiving at least five percent of the vote in 1976 will be eligible for partial reimbursement of their expenses.

NOMINATING CONVENTIONS

Political parties are limited to expenditures of $2 million for their presidential nominating conventions. A major party is eligible to receive the full $2 million in public funds; however, a party may opt to fund its convention privately. The existing law permitting corporations to take a tax deduction for advertisements in conventions program books is repealed.

PRESIDENTIAL PRIMARIES

Each candidate for the Presidential nomination is limited to campaign expenditures of $10 million. In each state, he may spend no more than twice the amount permitted a Senate primary candidate. In other words, the candidate may spend no more than $200,000 in the New Hampshire primary; $928,000 in Florida.

To be eligible for public funds, a candidate must declare himself a candidate for his party's nomination and begin soliciting small contributions ($250 or less). When the Federal Elections Commission certifies that the candidate has received at least $5,000 from contributors in each of 20 states—for a total of $100,000 in matchable funds—the Secretary of the Treasury will authorize a matching payment of $100,000 from the Dollar Check-Off Fund. Subsequently, each eligible contribution of $250 or less will be matched from the Treasury.

While an individual may contribute $1,000 and an organization may give $5,000 during the pre-nomination period, only the first $250 will be eligible for matching. No cash contributions will be matched; all contributions must show the taxpayer's identification number.

In addition to the $10 million spending limit, the candidate is permitted to spend an additional 10 percent—$2 million—for fundraising costs.

Only contributions raised after January 1, 1975, will be eligible for matching. No public funds will be given out until January 1, 1976.

SOURCE OF PUBLIC FUNDS

The source of all public funding is the Presidential Election Campaign Fund. No additional appropriations legislation is required of Congress. The Fund was established in 1971 and is funded by taxpayers who check off Line 8 on IRS Form 1040, designating $1 of their taxes ($2 on a joint return) for this purpose.

This Dollar Check-Off Fund now contains $30.1 million. If taxpayers check off Line 8 at the same rate as last year, there will be a minimum of $64 million in the fund in time for the 1976 election, and very likely more.

Early in 1976, $44 million will be earmarked for the General Election and the Conventions. The remaining funds will be designated for the primaries. No more than 45 percent may go to candidates of any political party. No candidate is eligible to receive more than one-fourth of public funds available for primaries.

All spending limits are subject to cost-of-living increases, using 1974 as the base year.

The Fund will be under continuing review by the new Federal Election Commission to insure that eligible candidates receive equitable treatment and that adequate money is available to meet obligations required by the act.

PUBLIC FINANCING/ELECTION REFORM COALITION

Center for Public Financing of Elections.
AFL–CIO.
Common Cause.
League of Women Voters.
United Auto Workers.
Ralph Nader's Congress Watch.
Amalgamated Clothing Workers.
American Association of University Women.
American Civil Liberties Union.
American Institute of Architects.
American Federation of State, County and Municipal Employees.
Americans for Democratic Action.
Communications Workers of America.
Friends Committee on National Legislation.
International Association of Machinists.
International Ladies Garment Workers Union.
Leadership Conference on Civil Rights.
League of Conservation Voters.
National Association for the Advancement of Colored People.
National Council of Churches.
National Committee for an Effective Congress.
National Education Association.
National Farmers Union.
National Rural Electric Cooperative Association.
National Women's Political Caucus.
Network.
Religious Committee for Integrity in Government.
Service Employees International Union.
Steelworkers Union.
Union of American Hebrew Congregations.
United Mine Workers.
United Methodist Church.

Mr. BADILLO. Mr. Speaker, the Federal Election Campaign Act amendments which we are considering this afternoon

close a number of important loopholes and inadequacies in current campaign financing and elections laws. Among the notable features of this legislation are the ceilings on expenditures for campaigns for all Federal offices, limits on individual contributions to any single candidate and aggregate contributions for all Federal offices in any single year and restrictions on a candidate's personal financing of his own campaign. I believe this measure represents a significant step forward in campaign reform and for this reason I shall support the conference report.

However, this legislation contains a major gap—the failure to provide for public financing—even at the very least on a matching basis—for House and Senate campaigns. As I stated when we considered the amendments in August:

I cannot understand how the committee could endorse the removal of private money from Presidential races and not concede that the public interest lies in the same treatment of congressional elections.

I cannot see why a double standard should be imposed, particularly after nationwide opinion polls have clearly demonstrated that the American people support public financing for congressional races by an almost 2-to-1 majority.

Full public financing of all Federal elections is a goal we must achieve as soon as possible if confidence in the whole electoral process is to be achieved. We must make the public financing of House and Senate races a key priority in the 94th Congress if we hope to truly reform political campaigns. I intend to continue working toward this important objective and urge our colleagues to join in this effort. The Federal Election Campaign Act amendments of 1974 mark an important advance in election reform but they must be further strengthened if we hope to remove all the grievous abuses of Federal elections which have been amply documented over the past many months.

Mr. KASTENMEIER. Mr. Speaker, I am voting for the conference report on S. 3044—Federal Elections Campaign Act amendments, but I would like to take just a moment to explain some serious reservations I have about certain of its provisions.

First, it must be conceded that the reform measure provides many changes in our campaign financing system that are urgently needed and that can reduce greatly the influence of special interests on governmental decisions. It provides for strict limits on contributions. It provides an independent enforcement commission. And it provides public financing for Presidential primary and general elections. The importance of these reforms cannot be diminished, and the respective committees handling the legislation in both the Senate and the House deserve credit for adopting them.

Despite these beneficial and needed changes, I remain adamantly opposed to campaign spending limits in the conference report which I consider to be scandalously high. When the House considered the campaign reform bill early in August, I spoke for and supported an amendment which would have allowed State spending ceilings to remain in effect when they were established at lower levels than those in the Federal law. The State of Wisconsin, for example, recently enacted a campaign reform measure which would have limited spending in House races to $35,000 for the primary and $50,000 for the general election. I greatly regret that the amendment which would have permitted such stronger State laws to prevail over Federal limitations was defeated.

While that amendment did not succeed, we were successful in reducing the committee bill's ceilings of $75,000 per House primary or general race to $60,000 per election. The amendment would have allowed a 25-percent increase in the ceiling for fund raising costs. Thus each candidate for a House seat could have spent a maximum of $150,000 on the primary and general elections.

Now we have before us a conference report which raises the already excessive spending limits in the House bill. The conference report would allow candidates for the House to spend up to $70,000 in each primary and general election, plus an additional 20 percent for raising expenditures. This means that each candidate could spend up to a maximum of $168,000 in pursuit of a House seat.

The people of Wisconsin will have a great deal of difficulty understanding how a spending limit of that altitude is going to reduce the influence of money in politics. I share their skepticism and pledge that I will work diligently to bring about future reforms that will make campaign spending limits truly limits, rather than invitations to excessive campaign expenditures and corruption.

The excessive spending ceilings coupled with another little noticed provision of the reform bill could lead to major scandals. The conference report includes language which allows a successful candidate to use leftover campaign funds to finance congressional office costs if the Congressman reports on the outlays. This is clearly a provision that strengthens the position of incumbents, and was a more legitimate target of concern for those who feared an incumbents' bill than were spending ceilings that might have been set at reasonable levels.

Mr. BOLAND. Mr. Speaker, I rise in support of S. 3044, the conference report on the Federal Election Campaign Act Amendments of 1974. As one of the original sponsors of H.R. 16090, the House version of this measure, I feel a great sense of accomplishment in seeing campaign reform become a reality in this Congress.

The conference bill before us today retains four basic elements originally incorporated in the House measure. It places limits on the contributions that individuals, organizations and political parties can make to individual candidates and in the aggregate. It sets spending limits for candidates for the House and Senate. The bill also provides public financing of Presidential elections and conventions from the so-called dollar checkoff fund. Lastly, the conference bill sets up an enforcement body made up of members appointed by both Houses and the President which has the power to promulgate regulations, issue subpenas and investigate possible violations.

While these provisions differ in some details with H.R. 16090 as passed by this House, I feel that they represent a substantial restatement of the House bill. Indeed, one change which has been made is a decided improvement. The Board of Supervisors which will oversee compliance and enforcement of the act will now be a full time organization with adequate staff. It will be empowered to issue regulations interpreting the law, seek injunctions, subpena information, and request declaratory judgments or interpretive rulings in the courts.

The bill before us, I am pleased to note, also carries lower spending ceilings for both House and Senate races than were found in the Senate bill. I feel that the limits now contained in the conference report—$70,000 per election for House candidates, $100,000 or 8¢ per voter for Senate primaries and $150,000 or 1[illegible]r voter for Senate general election[illegible]o provide the public with a modicum of protection from bought elections, yet allow enough spending to permit challengers to put their program before the electorate, to counter the natural advantages of the incumbent.

I am disappointed with one aspect of the bill before us. It no longer contains any provision for mixed public-private funding of congressional and senatorial campaigns. This was a proposal which I helped initiate. I have said before on the floor of this Chamber that such a system would truly return political decision making back to the individual taxpaying citizens of this country. Public funds would have been provided under this scheme only where a good number of small contributions from private citizens had established the broadness of a candidate's political base. Thereafter, Federal funds would have been made available on a matching basis from the [illegible] checkoff fund, but only after com[illegible]te Presidential funding was assured. In other words, only serious candidates would have qualified for this aid. It would not have in any way diminished Presidential campaign public funding and all the money that would have been spent would have come from the conscious checkoffs of American taxpayers who believed in public assistance in financing Federal elections.

I am disappointed that the public-private mixed funding of congressional campaigns is not in the bill before us simply because if this approach can help put the little guy back in the political picture in Presidential elections, it certainly would have the same, if not greater, effect in congressional races. If big money has too important a hold in Presidential elections, how much more powerful an influence does it have in smaller, congressional races.

Mr. Speaker, I am hopeful that as the Presidential campaign financing features of this bill unfold in the 1976 elections, as they provide us with one of the most even expenditure matches in this century, that all citizens and Mem[illegible]

of this House will come to see the necessity to extend that same coverage to include congressional elections as well. Only then can we claim complete reform of Federal elections law that this bill purports to provide.

I want to make it clear, however, that I strongly support the election reform package represented by this conference report. It constitutes the first decent legacy of the Watergate scandal. I am confident that it will go a long way indeed to prevent such abuses as occurred in connection with that tragic episode in our country's history.

I therefore urge that we adopt the conference report today. In so doing we will be doing our best to convince a skeptical public that we really want to put our house in order after Watergate, and that it is not going to be business as usual all over again. That is the message that I get from my constituents. They feel that more has got to come of this crisis we have just weathered than just rhetoric. The first test of whether that is so comes today. There will be further tests; 1976 will be one. That is be[illegible]e another legacy of Watergate is [illegible]eased public awareness of congressional self-regulation. As proof, I would like to include in the RECORD at this point an editorial, dated October 7, 1974, from the Springfield Daily News of Springfield, Mass., which only too clearly makes this point:

CAMPAIGN REFORM

If there is any consolation emerging from the Watergate scandals, it is that they have placed renewed emphasis on the need for governmental reforms in general, and for election reforms in particular.

The Watergate conspiracy was basically an attempt to undermine an election—involving secret contributions, "dirty tricks" to discredit rival candidates, break-ins and buggings, and an abuse of power both by individual officials and government agencies.

In its final report, the Ervin Committee recommended a series of campaign reforms to Congress, and the results have been encouraging so far.

A House-Senate conference committee has a[illegible]ed upon a campaign reform law that [illegible] limit spending and contributions in a[illegible]ederal elections and provide government subsidies for presidential candidates.

For example, Democratic and Republican nominees for President would be limited to spending $20 million each. But all of that amount would be furnished from federal funds raised by the check-off option on income tax returns.

In the presidential primaries, every candidate would be allowed to spend a maximum of $10 million—with government subsidies of up to $5 million allocated in amounts equal to what a candidate raised in private contributions.

The interesting feature is that to be eligible for matching funds, the candidate would have to collect the first $100,000 in donations of less than $250. Supposedly, this would demonstrate he had broad-based popular support and did not appeal just to the big contributors.

Congressional elections would be subject to similar ceilings. But—with this big difference from presidential balloting—there would be no public financing of congressional races.

Congressmen, with a keen eye to protecting their own power and positions on Capitol Hill, realized that public funding means they would have well-financed opponents in both primary and general elections.

Meanwhile, the prospect is that the campaign funding bill will pass—marking a major reform by Congress in the wake of Watergate.

Mr. BAUMAN. Mr. Speaker, I am compelled to vote against this conference report for a number of reasons, although I fully support the principle of true election law reform.

First and most importantly, I believe that the provisions of this bill which restrict an individual's right to contribute more than certain amounts to a candidate in a Federal election may well impose an unconstitutional restraint on his or her freedom to communicate their views, or support a candidate who represents those views. Indeed, many of my colleagues have admitted that numerous parts of this bill are of dubious constitutionality.

Equally important is the serious undermining of the two-party system which will occur once the full impact of this legislation is felt. The limitation placed on each political committee as to the amounts it may contribute to individual candidates for Federal office may seriously curtail the need for a particular party's support. Further than that, the provisions that allow Federal financing of Presidential primaries, general elections, and party conventions, in my view, subject both major parties, and any third parties that may qualify, to the strong possibility of Federal supervision and control. The Supreme Court has held many times, and it has been admitted on the floor today, that Federal financing means Federal control. I can think of nothing more destructive of the Republican or Democratic Parties' right to conduct its own affairs, than the possibilities of the Federal intervention which this bill surely will produce. I can also foresee numerous lawsuits demanding quota systems, for example, governing the makeup of State delegations to national political conventions. The possibilities are endless, and they all point to the demise of the two-party system, once the principle of Federal financing is accepted.

Using taxpayers money to finance elections is bad enough in itself, but as this conference report is written the lion's share of Federal money will go to the party which produces the most candidates in Presidential primaries. I predict with some certainty that there will be many more Presidential hopefuls coming out of the woodwork in 1976 now that the Federal Treasury and the taxpayer's pocket is to be the source of their financing.

Perhaps the most serious omission in this legislation, as I read it, is the total lack of any provision controlling the "in kind" contributions consisting of goods and services, as well as "educational" expenditures, by such groups as labor unions. Any true election reform would certainly contain restrictions on this kind of often clandestine and unreported political activity which in a close election contest can make all the difference. Yet, this serious threat to the democratic system is untouched by this bill.

Lastly, I would tend to agree with my colleague from Wisconsin (Mr. STEIGER) in his analysis that this bill is an incumbent Congressman's dream. It cuts down on the number of reports which must be filed which, while convenient for the Congressman, does nothing to enhance full disclosure of election expenditures. It also specifically permits the use of House and Senate funds for reelection purposes—something that is available only to incumbents and must come out of the taxpayers' pocket. Amazingly, this bill exempts from disclosure such expenditures. Such special expenditures for incumbent Members, together with the strict limitation on spending which will apply to challengers, will do much in my opinion to insure the re-election of incumbents for years to come, and that is certainly not election reform.

Mr. Speaker, there are many good provisions in this legislation, but the serious inadequacies which I have described force me to oppose this conference report. While it has become fashionable to support "election reform," this measure is the antithesis of election reform, and I therefore must oppose it.

Mrs. HECKLER of Massachusetts. Mr. Speaker, it is little wonder that in the wake of the Watergate revelations and the disclosure of the "dirty tricks" of the 1972 Presidential campaign, a major outcry was heard from the American public demanding a thorough cleansing of our electoral process.

Today Congress is responding to the outrage and indignation expressed by so many voters with the Federal Election Campaign Act Amendments of 1974, the most comprehensive campaign finance reform measure in the history of our country.

No single piece of legislation before Congress in this session has more potential for ending illegal contributions, slush funds, and the other types of campaign corruption which have surfaced during the last administration and during several previous administrations.

The importance of the changes which we are making in the campaign finance process today is that these reforms will lead to the restoration of confidence in the integrity of our political process by making campaigns public business.

The historic reforms incorporated in this legislation represent a major step forward. For the first time we have insured that Presidential primaries and general election campaigns will not be dependent on large donations from special interests who expect favors in return for their money.

In 1976 the Presidential Election Campaign Fund composed of voluntary taxpayer contributions through the dollar checkoff on their individual tax returns will finance the Presidential primaries and general elections of the two major candidates.

In the future I hope to see public financing extended to all congressional races. In August when the Federal Elections Campaign Act amendments were before the House for consideration, I voted in favor of an amendment which would have provided partial public financing of House and Senate campaigns by providing for matching Federal

funds to be raised from the dollar checkoff fund of individual tax contributions. This important amendment was defeated in the House and was not included in the final version of the bill agreed upon by the House and Senate conferees.

One of the most important provisions of the legislation before us is the creation of a strong and independent Federal Elections Commission which will oversee all Federal elections and be empowered to enforce the new law by subpenaing witnesses, conducting investigations of campaign abuses, and by bringing civil suits to court.

Of monumental importance in reforming the election process are the campaign spending limitations and contribution limitations included in the bill. The provisions of the Federal Election Campaign Act amendments achieve new and realistic limits to campaign spending.

Reasonable restrictions on individual and group contributions to congressional or Presidential candidates limit individual contributions to $1,000 per candidate in the primary and in the general election with an aggregate limitation of $25,000 to all candidates and political committees during a 2-year period.

An organization is prohibited from contributing more than $5,000 to any one candidate for Federal office in the primary election and also in the general election.

Congress cannot take full credit for these essential campaign reforms. Organizations such as Common Cause, the Center for Public Financing, and the National Committee for an Effective Congress were major catalysts in convincing Congress of the urgency of these measures.

The Federal Election Campaign Act amendments are designed to fortify the very roots of our democratic system—our electoral process. I hope this reform therapy will be effective.

Mr. McCLORY. Mr. Speaker, I rise in support of this conference report. Through the enactment of these Federal Election Campaign Act amendments, we can help bring about fundamental improvements in the way in which America chooses its elected leadership. I especially want to commend the House conferees who did such an excellent job in representing the position of the House while working toward a strong reform bill that can become law this year.

Mr. Speaker, with respect to the issue of public financing for congressional campaigns, which constituted one of the major points of controversy between the two bodies, I want to thank our conferees for their successful advocacy of the House position. I believe it would be premature, to say the least, for the law to provide public financing for all Federal election campaigns, when we have yet had any actual experience with public financing. We at least owe the American taxpayer the consideration of evaluating the results from the public financing of Presidential campaigns, which this bill mandates, before we begin to charge him for all Federal campaign costs. This only makes sense, Mr. Speaker, and I am relieved that the House position has been retained in this very important respect. Let public financing achieve in practice the lofty goals which its advocates forecast, before extending it to all Federal campaigns.

Mr. Speaker, this legislation will give a real boost to the public's right to know in the campaign area with its admirable plugging of several old loopholes in the financial disclosure provision of the Federal Election Campaign Act. Campaign finances will be even more completely open to public inspection than at present so that the voter may examine the financial aspects of a candidate's support. The disclosure provisions of this conference report will insure that much more information than is now required will be fully available for public scrutiny and assessment.

However, the measure has two egregious defects. First, it fails to require accountability with regard to labor organizations and other political action groups regarding individual contributions—and in such cases, it does not require the identity of persons making contributions, and fails to designate the candidates whom the various contributors desire to support. It leaves those decisions up to the labor leaders—or organizations' officers.

Second, the measure fails to measure in terms of campaign contributions the extensive services provided in the form of campaign workers, and telephone teams, and such personal services as are regularly provided by labor organizations in support of their favorite candidates.

These defects should have been corrected and, in any event, should be the subject of further legislation at an early date.

Mr. HAYS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HAYS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 365, noes 24, answered "present" 1, not voting 44, as follows:

[Roll No. 597]

AYES—365

Abdnor	Beard	Broomfield
Abzug	Bell	Brotzman
Adams	Bennett	Brown, Calif.
Addabbo	Bergland	Brown, Mich.
Alexander	Bevill	Brown, Ohio
Anderson, Calif.	Biaggi	Broyhill, N.C.
Anderson, Ill.	Biester	Broyhill, Va.
Andrews, N.C.	Bingham	Buchanan
Andrews, N. Dak.	Blatnik	Burgener
Annunzio	Boggs	Burke, Calif.
Arends	Boland	Burke, Mass.
Ashley	Bolling	Burleson, Tex.
Aspin	Bowen	Burlison, Mo.
Badillo	Brademas	Burton, John
Bafalis	Bray	Burton, Phillip
Baker	Breaux	Butler
Barrett	Breckinridge	Byron
	Brinkley	Carney, Ohio
	Brooks	Carter
	Casey, Tex.	Heckler, Mass.
	Cederberg	Heinz
	Chamberlain	Helstoski
	Chappell	Henderson
	Chisholm	Hicks
	Clancy	Hillis
	Clark	Hinshaw
	Clausen, Don H.	Hogan
	Clay	Holifield
	Cleveland	Holtzman
	Cochran	Horton
	Cohen	Hosmer
	Collier	Howard
	Collins, Ill.	Hudnut
	Conlan	Hungate
	Conte	Hutchinson
	Corman	Ichord
	Cotter	Johnson, Calif.
	Coughlin	Johnson, Pa.
	Cronin	Jones, N.C.
	Culver	Jones, Okla.
	Daniel, Dan	Jones, Tenn.
	Daniel, Robert W., Jr.	Jordan
	Daniels, Dominick V.	Karth
	Danielson	Kastenmeier
	Davis, Ga.	Kazen
	Davis, S.C.	Kemp
	Davis, Wis.	Ketchum
	Delaney	King
	Dellenback	Kluczynski
	Dellums	Koch
	Denholm	Kuykendall
	Dennis	Kyros
	Dent	Lagomarsino
	Derwinski	Landrum
	Devine	Latta
	Diggs	Leggett
	Dingell	Lehman
	Dorn	Lent
	Downing	Litton
	Drinan	Long, La.
	Dulski	Long, Md.
	du Pont	Lott
	Eckhardt	Lujan
	Edwards, Ala.	Luken
	Edwards, Calif.	McClory
	Eilberg	McCloskey
	Erlenborn	McCollister
	Esch	McCormack
	Eshleman	McDade
	Evans, Colo.	McEwen
	Evins, Tenn.	McFall
	Fascell	McKay
	Findley	McSpadden
	Fish	Macdonald
	Fisher	Madden
	Flood	Madigan
	Flowers	Mahon
	Flynt	Mallary
	Foley	Mann
	Ford	Maraziti
	Forsythe	Martin, N.C.
	Fountain	Mathis, Ga.
	Fraser	Matsunaga
	Frelinghuysen	Mayne
	Frenzel	Mazzoli
	Frey	Meeds
	Froehlich	Melcher
	Fulton	Metcalfe
	Fuqua	Mezvinsky
	Gaydos	Milford
	Gettys	Miller
	Giaimo	Minish
	Gibbons	Mink
	Gilman	Mitchell, Md.
	Ginn	Mitchell, N.Y.
	Goldwater	Mizell
	Gonzalez	Mollohan
	Grasso	Montgomery
	Gray	Moorhead, Calif.
	Green, Oreg.	Moorhead, Pa.
	Green, Pa.	Morgan
	Griffiths	Mosher
	Grover	Moss
	Gubser	Murphy, Ill.
	Gude	Murphy, N.Y.
	Gunter	Murtha
	Guyer	Myers
	Haley	Natcher
	Hamilton	Nedzi
	Hammer-schmidt	Nelsen
	Hanley	Nichols
	Hanna	Nix
	Hanrahan	Obey
	Hansen, Wash.	O'Brien
	Harsha	O'Hara
	Hastings	O'Neill
	Hawkins	Owens
	Hays	Parris
	Hechler, W. Va.	Patman
		Patten
		Pepper
		Perkins
		Pettis
		Peyser
		Pickle
		Pike
		Preyer
		Price, Ill.
		Price, Tex.
		Quie
		Quillen
		Railsback
		Randall
		Rangel
		Rees
		Regula
		Reid
		Reuss
		Rhodes
		Rinaldo
		Roberts
		Robinson, Va.
		Robison, N.Y.
		Rodino
		Roe
		Rogers
		Roncallo, N.Y.
		Rooney, Pa.
		Rose
		Rosenthal
		Rostenkowski
		Roush
		Roy
		Roybal
		Runnels
		Ruppe
		Ruth
		St Germain
		Sandman
		Sarasin
		Sarbanes
		Satterfield
		Scherle
		Schneebeli
		Schroeder
		Sebelius
		Seiberling
		Shipley
		Shoup
		Shriver
		Shuster
		Sikes
		Sisk
		Slack
		Smith, Iowa
		Smith, N.Y.
		Spence
		Staggers
		Stanton, J. William
		Stanton, James V.
		Stark
		Steelman
		Stokes
		Studds
		Sullivan
		Symington
		Talcott
		Taylor, Mo.
		Taylor, N.
		Teague
		Thompson, N.J.
		Thomson, Wis.
		Thone
		Thornton
		Tiernan
		Traxler
		Udall
		Ullman
		Van Deerlin
		Vander Veen
		Vanik
		Veysey
		Vigorito
		Waldie
		Walsh
		Ware
		Whalen
		Whitten
		Widnall
		Williams
		Wilson, Bob
		Wilson, Charles H., Calif.
		Wilson, Charles, Tex.
		Winn
		Wolff
		Wyatt
		Wydler
		Wylie
		Wyman
		Yates
		Yatron

Young, Alaska	Young, Ill.	Zion
Young, Fla.	Young, Tex.	Zwach
Young, Ga.	Zablocki	

NOES—24

Archer	Gross	Rousselot
Armstrong	Holt	Skubitz
Ashbrook	Jarman	Steed
Bauman	Jones, Ala.	Steiger, Ariz.
Camp	Landgrebe	Steiger, Wis.
Collins, Tex.	Martin, Nebr.	Treen
Crane	Poage	Waggonner
Goodling	Rarick	Wiggins

ANSWERED "PRESENT"—1

Vander Jagt

NOT VOTING—44

Blackburn	Hunt	Ryan
Brasco	Johnson, Colo.	Snyder
Burke, Fla.	McKinney	Steele
Carey, N.Y.	Mathias, Calif.	Stephens
Clawson, Del	Michel	Stratton
Conable	Mills	Stubblefield
Conyers	Minshall, Ohio	Stuckey
de la Garza	Moakley	Symms
Dickinson	Passman	Towell, Nev.
Donohue	Podell	Wampler
Duncan	Powell, Ohio	White
Hansen, Idaho	Pritchard	Whitehurst
Harrington	Riegle	Wright
Hébert	Roncalio, Wyo.	Young, S.C.
Huber	Rooney, N.Y.	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Stratton for, with Mr. Hébert against.
Mr. Hunt for, with Mr. Passman against.
Mr. Harrington for, with Mr. Powell of Ohio against.
Mr. Duncan for, with Mr. Symms against.

Until further notice:

Mr. Carey of New York with Mr. Hansen of Idaho.
Mr. Moakley with Mr. Steele.
Mr. de la Garza with Mr. Snyder.
Mr. Donohue with Mr. Young of South Carolina.
Mr. Conyers with Mr. Mills.
Mr. Rooney of New York with Mr. Blackburn.
Mr. Stephens with Mr. Huber.
Mr. Ryan with Mr. Dickinson.
Mr. Riegle with Mr. Burke of Florida.
Mr. Wright with Mr. Whitehurst.
Mr. White with Mr. Del Clawson.
Mr. Stuckey with Mr. Wampler.
Mr. Stubblefield with Mr. Towell of Nevada.
Mr. McKinney with Mr. Mathias of California.
Mr. Conable with Mr. Minshall of Ohio.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PERSONAL EXPLANATION

Mr. DULSKI. Mr. Speaker, on October 8, 1974, I missed several rollcalls. I would like the RECORD to show that had I been present and voting, I would have voted as follows: rollcall No. 582, "aye"; rollcall No. 583, "aye"; rollcall No. 584, "no"; rollcall No. 585, "aye"; rollcall No. 586, "no"; rollcall No. 587, "no"; rollcall No. 588, "aye"; rollcall No. 589, "aye."

PERSONAL EXPLANATION

Mr. DEVINE. Mr. Speaker, on rollcall No. 591 yesterday on the Agriculture appropriations, I was delayed on a long-distance phone call. I entered the Chamber as the rollcall ended. If I had been present, I would have voted "no."

NEEDED—CONTROL OVER FOREIGN INVESTMENT

(Mr. WYMAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. WYMAN. Mr. Speaker, I take this minute to remind my colleagues that unless and until the exorbitant prices demanded for oil by the OPEC nations are cut at least in half, the world invites both a financial crisis and a serious risk of buy-ins of American businesses and real estate by foreign money barons. With the levels presently prevailing in the stock market in this country, the opportunity to purchase controlling interests in important—as well as security-related—U.S. industries has never been more opportune.

We must act now to limit foreign investment in this country. It is to no avail to claim we might later see fit to expropriate. Two wrongs do not make a right. What is needed is constructive action to limit foreign investment in U.S. companies to something less than control. This is provided against in my bill, H.R. 16848, presently pending before the Commerce Committee.

Under the provisions of my bill, foreign investment in any American corporation cannot exceed 49 percent of controlling interests. A cabinet-styled committee is enjoined to review the situation and to make recommendations to the Congress for a lower percentage where advisable, including the power to exclude foreign investment in patently security-related companies.

Unless immediate action is taken to implement such a program, we face a literal invasion of foreign capital in which many citizens would find themselves working for foreign masters. Such a prospect is intolerable and I urge and seriously recommend immediate and favorable action on my bill, the "Foreign Investment and Control Act of 1974."

(Mr. MARTIN of North Carolina asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

[Mr. MARTIN of North Carolina addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

CONFERENCE REPORT ON H.R. 12628, VIETNAM ERA VETERANS' READJUSTMENT ASSISTANCE ACT OF 1974

Mr. DORN. Mr. Speaker, I call up the conference report on the bill (H.R. 12628) to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and other persons; to make improvements in the educational assistance programs; and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of October 7, 1974.)

Mr. DORN (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the statement.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

GENERAL LEAVE

Mr. DORN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

(Mr. DORN asked and was given permission to revise and extend his remarks.)

Mr. DORN. Mr. Speaker, when H.R. 12628 was originally passed by the House on February 19, 1974, its major provision was a proposal to increase by 13.6 percent all of the rates of educational allowances for veterans and their eligible dependents. For example, the present rate for a single veteran pursuing full-time training is $220 per month. The House proposed to increase this rate to $250 per month with comparable increases in cases where dependents are involved.

On June 19, 1974, the Senate took action on H.R. 12628 by substituting the full text on its version of a veterans' education bill contained in S. 2784. As thus passed by the Senate the bill increased the basic monthly rates by 18 percent, for example, $220 per month to $260 per month, and added as an integral part of the rate package a new partial tuition allowance under a formula which in the average case would provide the veteran with an additional $720 per school year. I am sure that many Members are familiar with the problems and abuses arising from the tuition payment portion of the original World War II GI bill. Following an extended inquiry by a House select committee, the Korean conflict GI bill was formulated which discarded any form of so-called tuition payment and provided a single monthly allowance directly to the veteran. This philosophy was continued in the 1966 cold-war GI bill and has been maintained as congressional policy ever since. In the light of this background, the House managers rejected any form of tuition payment, either to the institution or to the veteran, but in order to reach

a compromise on this point, agreed to an increase in the basic rates of 22.7 percent, for example, $220 to $270 per month, and the Senate conferees concurred.

Each version of the bill also proposed to liberalize the eligibility requirements for vocational rehabilitation for present and future veterans with a service-connected disability. The basic objective sought in each version is now contained in the conference bill.

The original conference report, filed August 19, 1974, provided the same 22.7-percent increase to the subsistence allowance authorized for vocational rehabilitation trainees—about 2 percent of the total—as authorized for all of the other educational trainees. In this area a point of order was raised upon consideration of the conference report on August 22 that the mentioned increase in vocational rehabilitation rates exceeded the increase proposed by either the House or Senate bill. Accordingly, it was urged that the conferees exceeded their authority in this regard. When the point of order was sustained, the chairman of the House managers immediately moved that the House recede from its disagreement to the Senate amendment to the text of the bill, H.R. 12628, and agree to the same with a substitute amendment. This substitute amendment which was passed unanimously by the House returned the bill to the other body in the same form as recommended by the conferees with the following exceptions: First, the rate increase for vocational rehabilitation subsistence allowances was reduced to 18 percent, to comply with the point of order; second, the extension of maximum entitlement from the present 36 months to 45 months was deleted; and third, the veterans' education loan provisions were deleted.

Accordingly, conferees were reappointed to resolve the differences between the House substitute amendment of August 22 and the original Senate-passed bill, S. 2784.

The House and Senate conferees have been in agreement from the outset with respect to provisions dealing with certain minor liberalizations of the veterans' educational programs, as well as provisions covering job counseling, training and placement service, employment and training of disabled and Vietnam era veterans and veterans' reemployment rights. The present conference report covering these subjects contains no substantive changes and are discussed in more detail in the accompanying joint explanatory statement of the committee on conference.

Under the present law, veterans are limited to a maximum of 36 months of education and training. The House amendment contained no provision with respect to this maximum but the Senate bill proposed to increase this period from 36 months to 45 months. In conference the House managers were persuaded by certain cogent justification for an increase in entitlement in certain hardship cases and therefore concurred in a liberalization which would authorize an additional number of months, not exceeding nine, as may be utilized in pursuit of a program of education leading to a standard college degree.

The Senate substitute proposed to establish a new student loan program to be administered by the veterans administration and funded through the National Service Life Insurance trust fund. Such loans would be limited to a maximum of $2,000 and available only if the veteran is unable to receive a student loan from the Federal programs, primarily administered by HEW. The House managers were reluctant to see the VA embark on such a new type of activity but receded from its position subject to a reduction in the maximum available loan in the amount of $600 and elimination of the funding of the program through the National Service Life trust fund. Under the conference agreement, a special revolving fund would be established and funded through the usual appropriations for readjustment benefits.

As we have stressed in the managers statement, the house conferees are concerned that excessive default rates at certain institutions might jeopardize the success of the program. In this connection, recent publicity has indicated that approximately one fourth of all student loans under programs administered by HEW are in default. Accordingly, both committees will closely monitor default experience and expect the administrator not only to so monitor but take aggressive steps to pursue and effect collections wherever possible. Further, the conferees direct the administrator to utilize his new authority contained in the bill with respect to deceptive and misleading advertising, to take affirmative steps to prevent any questionable sales or enrollment practices utilizing advertising about the availability of the new loan program as a promotional technique. The conferees recognize that in meritorious cases additional loan facilities may be vital to students in pursuing their educational program but it should be made crystal clear that this is not in any way intended as a "handout" program and appropriate corrective measures will be taken in the event of abuses.

For the record, I feel that it is imperative to set clear your conferees' philosophy as to the fiscal impact of this legislation. In the first place, there is a complete unanimity of view that in the light of the spiraling cost of living the present training allowances are greatly inadequate. In recent public utterances, the President has indicated that an increase of approximately 18 or even 20 percent would be justified. This would be true from the standpoint solely of the increase in cost of living; however, testimony before both Houses has made it abundantly clear that the tuition costs in all institutions, but particularly those charged by private institutions have far outridden the cost of living as reflected by the consumers' price index and your conferees were convinced that this factor cannot be ignored. Accordingly, it seems to me that an additional 5 percent above the increase which the President suggests is fully justified. It is not at all irrelevant to take note of the alarming increase in the rate of unemployment, particularly involving those young men and women of school age. Further, your conferees have noted the significance of the President's most recent economy speech to the Congress which included a recommendation for increases in unemployment compensation benefits and the creation of a brand-new community improvement corps through short-[illegible] useful work projects, such standby [illegible] gram to be geared to the unemployment rate. With these factors in mind, it seems eminently desirable not only from a fiscal but also a sociological standpoint to improve the availability of greater educational benefits for our young men and women who have served in the armed services, including certain of their wives, widows, and orphan children. In this way we will provide improved opportunity for our young people to pursue further education, thus relieving, in part, the unemployment problem and lessening the necessary magnitude of the proposed new community improvement corps. The first GI bill was enacted over 30 years ago. Since that time highly reputable studies have demonstrated beyond any doubt that the original cost of these programs have been offset many times by the resulting increase in tax revenues and, more importantly, a significant raising in the educational level of [illegible] citizenry.

I sincerely feel that the provisions of the conference report now before the House for consideration are generous from the standpoint of the veterans concerned and represent an appropriate recognition by the Congress of the need to maintain a strong and viable educational assistance program for our veterans. I therefore strongly recommend approval of this report by the House.

Mr. Speaker, I insert for the record at this point a table showing the 5 year estimated cost of the conference report on H.R. 12628. It will be noted that the estimate for the first full year, including about $75 million for the loan revolving fund, will be $869.8 million.

The table follows: